

THURSDAY, JUNE 9, 1977



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List of Public Laws

This is a continuing listing of public bills that have become law, the text of which is not published in the FEDERAL REGISTER. Copies of the laws in individual pamphlet form (referred to as "slip laws") may be obtained from the U.S. Government Printing Office.

H.R. 6752.....Pub. L. 95-41
To amend the Water Resources Planning Act (79 Stat. 244) as amended. (June 6, 1977; 91 Stat. 209)
Price: \$.35

AGENCY PUBLICATION ON ASSIGNED DAYS OF THE WEEK

The six-month trial period ended August 6. The program is being continued on a voluntary basis (see OFR notice, 41 FR 32914, August 6, 1976). The following agencies have agreed to remain in the program:

Monday	Tuesday	Wednesday	Thursday	Friday
NRC	USDA/ASCS		NRC	USDA/ASCS
DOT/COAST GUARD	USDA/APHIS		DOT/COAST GUARD	USDA/APHIS
DOT/NHTSA	USDA/FNS		DOT/NHTSA	USDA/FNS
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DOT/OPSO	LABOR		DOT/OPSO	LABOR
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Documents normally scheduled on a day that will be a Federal holiday will be published the next work day following the holiday.

Comments on this program are still invited. Comments should be submitted to the Day-of-the-Week Program Coordinator, Office of the Federal Register, National Archives and Records Service, General Services Administration, Washington, D.C. 20408.

ATTENTION: For questions, corrections, or requests for information please see the list of telephone numbers appearing on opposite page.

federal register

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Published daily, Monday through Friday (no publication on Saturdays, Sundays, or on official Federal holidays), by the Office of the Federal Register, National Archives and Records Service, General Services Administration, Washington, D.C. 20408, under the Federal Register Act (49 Stat. 500, as amended; 44 U.S.C. Ch. 15) and the regulations of the Administrative Committee of the Federal Register (1 CFR Ch. I). Distribution is made only by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

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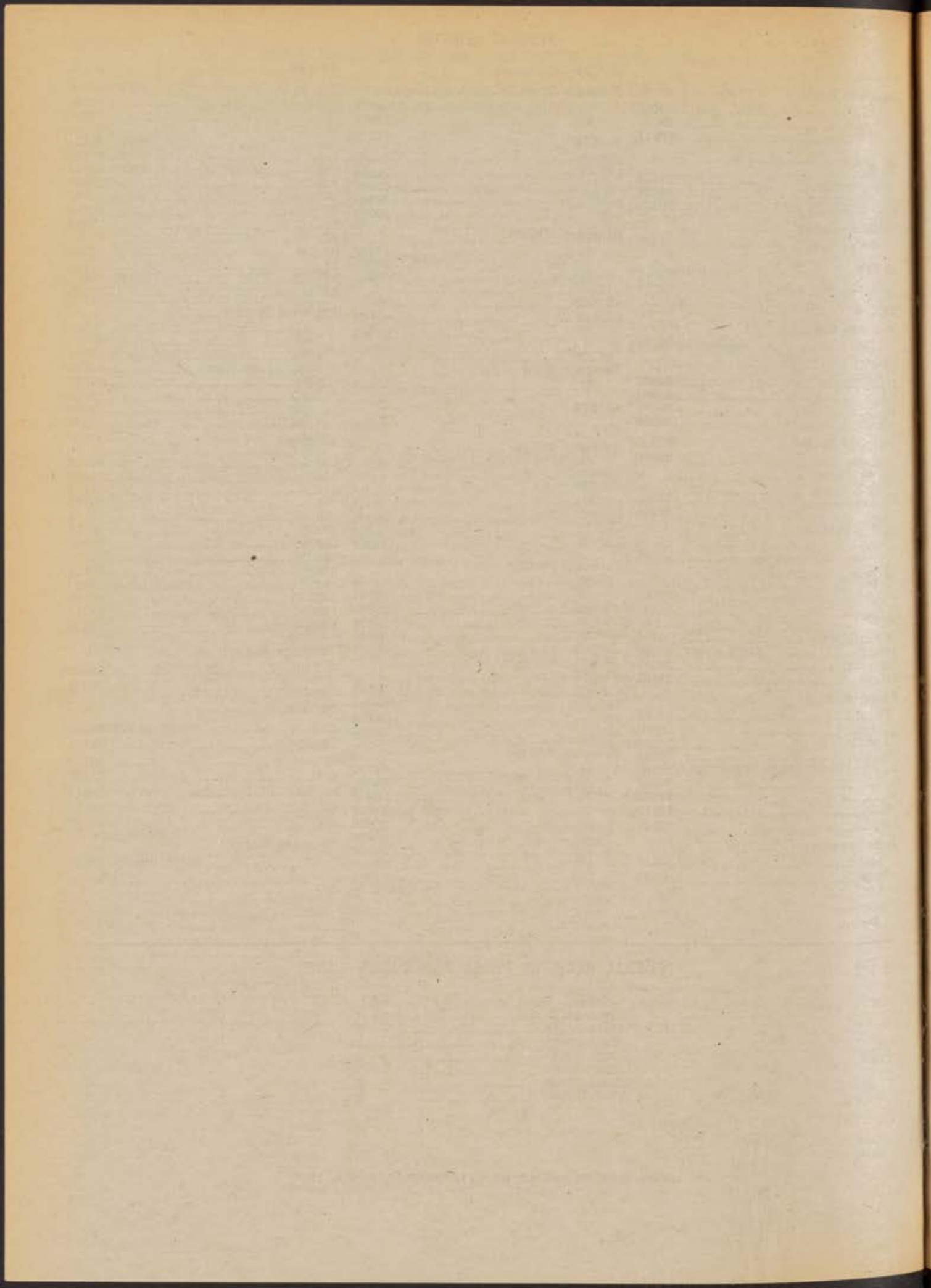
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Title 3—The President

PROCLAMATION 4505

Father's Day, 1977

By the President of the United States of America

A Proclamation

A father watches his children grow and shares their joys. He comforts them through the many minor crises that are of enormous significance to a child. But the challenges of raising a child in an increasingly complex and uncertain world require more than just a desire to be a good parent. A father must be ready to supply the love, discipline, security and support from which his children can draw strength—even as he faces his own problems and concerns which are, for a time, beyond their understanding.

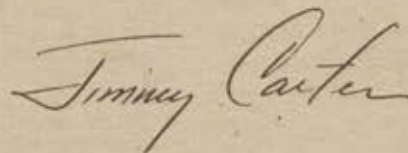
In recognition of the contributions of our Nation's fathers, the Congress, by joint resolution of April 24, 1972 (86 Stat. 124, 36 U.S.C. 142a), has designated the third Sunday in June of each year as Father's Day and has requested the President to issue annually a proclamation calling for its appropriate observance.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby request that Sunday, June 19, 1977, be observed as Father's Day.

I am instructing federal officials to display the flag of the United States on all Government buildings on that day, and I urge all citizens to display the flag at their homes and other suitable places.

I ask all Americans to make a special effort this year to let our Nation's fathers know that they will always have our love and gratitude.

IN WITNESS WHEREOF, I have hereunto set my hand this seventh day of June, in the year of our Lord nineteen hundred seventy-seven, and of the Independence of the United States of America the two hundred and first.



[FR Doc.77-16526 Filed 6-7-77;2:59 pm]

ORIGINAL DOCUMENTS

THE STATE OF NEW YORK

IN SENATE

JANUARY 1877

REPORT

OF THE

COMMISSIONERS OF THE LAND OFFICE

IN RESPONSE TO A RESOLUTION

PASSED BY THE SENATE

APRIL 1876

AND BY THE ASSEMBLY

APRIL 1875

AND BY THE SENATE

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APRIL 1870

AND BY THE ASSEMBLY

APRIL 1869

AND BY THE SENATE

APRIL 1868

rules and regulations

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each month.

Title 12—Banks and Banking

CHAPTER V—FEDERAL HOME LOAN BANK BOARD

[No. 77-338]

PART 545—OPERATIONS

PART 561—DEFINITIONS

Amendments Relating to Certain Loans in Excess of Ninety Percent of Value and the Definition of "Scheduled Items"

JUNE 1, 1977.

AGENCIES: Federal Home Loan Bank Board (FHLBB); Federal Savings and Loan Insurance Corporation (FSLIC).

ACTION: Final rule.

SUMMARY: This rule, in part, (1) revises certain regulations regarding loans in excess of 90 percent of value, (2) is needed to specifically except certain loans and contracts to facilitate the sale of real estate owned from certain insurance or reserve requirements, and (3) effects the intended action by providing that such loans and contracts of Federal savings and loan associations having unpaid principal balances exceeding 90 percent of the value of the real estate security are excepted from private-mortgage-insurance and specific-reserve requirements applicable to most loans in excess of 90 percent of value.

Also, this rule (1) revises certain regulations regarding "scheduled items" (i.e. certain substandard assets), (2) is needed to provide parity for all FSLIC-insured institutions as to high loan-to-value-ratio loans and contracts to facilitate the sale of real estate owned, and (3) effects the intended action by excepting from "scheduled items" such loans and contracts having principal balances exceeding 90 percent of the value of the real estate security, if they meet the regulatory requirements regarding loans in excess of 90 percent of value made by Federal savings and loan associations.

EFFECTIVE DATE: June 13, 1977.

FOR FURTHER INFORMATION CONTACT:

Harry W. Quillian, Associate General Counsel, Federal Home Loan Bank Board, at 320 First Street, NW., Washington, D.C. 20552 or telephone number 202-376-3556.

SUPPLEMENTARY INFORMATION: On April 1, 1977, the Federal Home Loan Bank Board published a proposed rule (42 FR 17483-17484) dated March 23, 1977, to revise § 545.6-1(a)(5) of the Rules and Regulations for the Federal savings and loan system (12 CFR 545.6-1(a)(5)) and § 561.15 of the Rules and Regulations for Insurance of Accounts (12 CFR 561.15) for the purposes stated

in the above SUMMARY. The period for receiving comments from interested persons ended on May 2, 1977. All of the 12 comments received on the proposed changes were favorable, except that two commenters did not support the portion of the proposed amendment that would allow loans or contracts to facilitate the sale of real estate owned in excess of 90 percent of value to be excluded from the computation of "scheduled items" without private mortgage insurance.

DISCUSSION OF COMMENTERS' OBJECTION

One commenter stated, in part, as follows:

In our view, this would give favored treatment to loans to facilitate over conventional loans in excess of 90 percent, despite the fact that loans to facilitate are inherently of a higher risk nature. We recommend that loans to facilitate in excess of 90 percent of value be excluded from the computation of scheduled items provided the amount of the loan which is in excess of 80 percent of value is insured by a "qualified private insurer" or the loan is allocated against any permissible investment limits of a special nonconforming loan category * * *.

That quotation states also the substance of the other objecting commenter.

The Federal Home Loan Bank Board does not agree with the objection. The exception provided in this rule applies only to the sale of real estate owned and if the institution financing the transaction is required later to take back the real estate, there will be merely a restoration of the situation that existed prior to such sale. In other words, the sale does not substantially increase the lender's potential loss. It is noted, however, that the revised rule would, at the lender's option, permit private mortgage insurance in such cases.

This rule, in substance and in part, excludes from "scheduled items" a State-chartered insured institution's over-90%-of-value loan or contract to facilitate sale of real estate owned which is subject to no lending limitation as to maximum amount when the loan or contract complies with all of the provisions of § 545.6-1(a)(5) of the Federal Regulations regarding over-90%-of-value loans made by Federal associations. Also, under this rule, such loans and contracts of any FSLIC-insured institution, including Federal associations, are not subject to the requirement of private mortgage insurance or specific reserve in § 545.6-1(a)(5)(v), and therefore are not scheduled items merely because of noncompliance with that requirement.

The Federal Home Loan Bank Board finds that publication of this rule for the 30-day period specified in 12 CFR 508.14 and 5 U.S.C. 553(d) prior to effective

date is unnecessary, because the rule relieves a restriction.

Accordingly, 12 CFR Parts 545 and 561 are amended as proposed, to read as set forth below, effective June 13, 1977.

1. Revise § 545.6-1(a)(5)(v) to read as follows:

§ 545.6-1 Lending powers under sections 13 and 14 of Charter K.

(a) Homes or combination of homes and business property—* * *

(5) Loans in excess of 90 percent of value. * * *

(v) Except as to a loan or contract to facilitate the sale of real estate owned, either—

(a) That as long as the unpaid balance of such a loan is in excess of an amount equal to 90 percent of the value or purchase price of the real estate security, whichever is less, determined at the time the loan was made, that portion of the unpaid balance of such loan which is in excess of an amount equal to 80 percent of such value or purchase price of the real estate security is guaranteed or insured by a mortgage insurance company which has been determined to be a "qualified private insurer" by the Federal Home Loan Mortgage Corporation; or

(b) The association establishes and maintains a specific reserve with respect to such loan equal to one percent of the unpaid principal balance thereof until the unpaid principal balance has been reduced to an amount not in excess of 90 percent of the value or purchase price of the real estate security, whichever is less, determined at the time the loan was made.

2. Revise § 561.15(d)(2) to read as follows:

§ 561.15 Scheduled items.

The term "scheduled items" means:

(d) * * *

(2) have unpaid principal balances in excess of the maximum amounts permitted under otherwise applicable lending limitations, or, in the absence of otherwise applicable lending limitations, in excess of 90 percent (95 percent, if the requirements of § 545.6-1(a)(5) of this chapter are met) of the value of the real estate securing such loans or sold under such contracts; except that only 20 percent of the unpaid principal balance of any such loan or contract will be included in "scheduled items" if all of the following requirements are met:

(Sec. 5, 48 Stat. 132, as amended (12 U.S.C. 1464); Secs. 402, 403, 407, 48 Stat. 1256, 1257, 1260, as amended (12 U.S.C. 1725, 1726, 1730); Reorg. Plan No. 3 of 1947, 12 CFR 4981, 3 CFR 1943-48 Comp. 1071.)

By the Federal Home Loan Bank Board.

J. J. FINN,
Secretary.

[FR Doc. 77-16336 Filed 6-8-77; 8:45 am]

Title 14—Aeronautics and Space

CHAPTER I—FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION

[Docket No. 77-SO-20; Amendment No. 39-2914]

PART 39—AIRWORTHINESS DIRECTIVES

Piper Models PA-28 and PA-32 Series Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This rule adds a new Airworthiness Directive which requires the modification of the fuel system to prevent fuel system malfunction and a repetitive fuel system check on certain Piper Model PA-28-235, PA-32-260, and PA-32-300 airplanes. There is a history of fuel system malfunctions which results in an improperly functioning fuel system that may cause engine power loss and fuel mismanagement.

DATES: Effective date June 10, 1977. Compliance Schedule, as prescribed in the body of the A.D.

ADDRESSES: Copies of Piper Service Bulletins may be obtained from Piper Aircraft Corporation, 820 East Bald Eagle Street, Lock Haven, Pennsylvania 17745. Copies of Piper Service Bulletins 342, 376 and 571 are maintained in the A.D. Docket File and may be examined in Room 264, Federal Aviation Administration Southern Region, 3400 Whipple Street, East Point, Georgia.

FOR FURTHER INFORMATION CONTACT:

Gil Carter, ASO-214, Propulsion Section, Engineering and Manufacturing Branch, Southern Region, P.O. Box 20636, Atlanta, Georgia 30320, Telephone 404-763-7435.

SUPPLEMENTARY INFORMATION: There has been a service history of fuel system contamination causing internal leakage in the Airborne fuel selector valve Models 1H10, 1H16, and 1H26 installed on certain Piper PA-28-235, PA-32-260, and PA-32-300 model airplanes. An internally leaking fuel selector valve can cause fuel transfer from one tank to another resulting in possible fuel mismanagement and fuel exhaustion. Other fuel system malfunctions, when combined with a leaking fuel selector valve, may result in air ingestion and rough engine operation or power interruptions. Since a situation exists that requires im-

mediate adoption of this regulation, it is found that notice and public procedure hereon are impracticable and good cause exists for making this amendment effective in less than 30 days.

DRAFTING INFORMATION

The principal authors of this document are Gil Carter, Flight Standards Division, and Eddie L. Thomas, Office of the Regional Counsel.

ADOPTION OF THE AMENDMENT

Accordingly, pursuant to the authority delegated to me by the Administrator, § 39.13 of the Federal Aviation Regulations (14 CFR 39.13) is amended by adding the following new Airworthiness Directive:

PIPER AIRCRAFT CORPORATION. Applies to Models PA-28-235, PA-32-260, PA-32-300, PA-32S-300 airplanes certificated in all categories. Models and serial numbers of airplanes affected are noted in sections (a), (b), (c), (d), and (e) in the body of the A.D.

To prevent a fuel system malfunction and a possible power interruption, accomplish the following:

(a) On Model PA-28-235 serial numbers 28-10001 through 28-7410093; Model PA-32-260 serial numbers 32-03, 32-04, 32-1 through 32-7400049; Model PA-32-300 serial numbers 32-15, 32-21, 32-40000 through 32-7440160, and Model PA-32S-300 serial numbers 32S-15, 32S-40000 through 32S-7240137, airplanes equipped with an Airborne Model 1H10, 1H16-1, 1H26-2, 1H26-3 or 1H26-4 model fuel selector valves, within the next five hours time in service after the effective date of this A.D. and thereafter before the first flight of each day until (b), (c), (d) and (e) are accomplished and thereafter at intervals not to exceed 50 hours time in service from the last check perform the following check:

(1) Insure that there is fuel in each tank. Drain fuel tank sumps and fuel selector sump using normal preflight procedures.

(2) Place the fuel selector valve in the "OFF" detent position.

(3) Actuate the fuel selector valve drain lever for one minute, collect contents and discard.

NOTE.—Several attempts may be required to drain all fuel from sump bowl. A leaking fuel selector valve is indicated by continued draining, when the fuel selector is in the "OFF" position. The volume of this drainage depends on the size of the "leak."

(4) Close drain valve and wait three minutes. Drain fuel selector again for one minute, collecting contents in a container. Close drain valve.

(5) If fuel collected exceeds one-half fluid ounce (one tablespoon), repeat Item (4) above.

(6) If the repeated drain procedure produces one-half fluid ounce or more, an excessive internal leaking fuel valve is indicated and (1) or (2) must be accomplished.

(1) Remove, clean, and reinstall the fuel selector valve, and repeat steps (1) through (5).

(2) Replace the fuel selector valve with the applicable Piper fuel valve kit 757 148V or 760 895V.

Paragraph (a) does not apply to those airplanes that have installed Piper fuel valve kit 757 148V or fuel valve kit 760 895V.

(b) On Model PA-28-235, serial numbers 28-10001 through 28-11236; Model PA-32-260, serial numbers 32-03, 32-04, 32-1 through 32-1123; Model PA-32-300, serial numbers 32-15, 32-21, 32-40000 through 32-40629, and Model PA-32S-300, serial numbers 32S-15, 32S-40000 through 32S-40629 airplanes, within the next 100 hours time in service after the effective date of this A.D., perform the following:

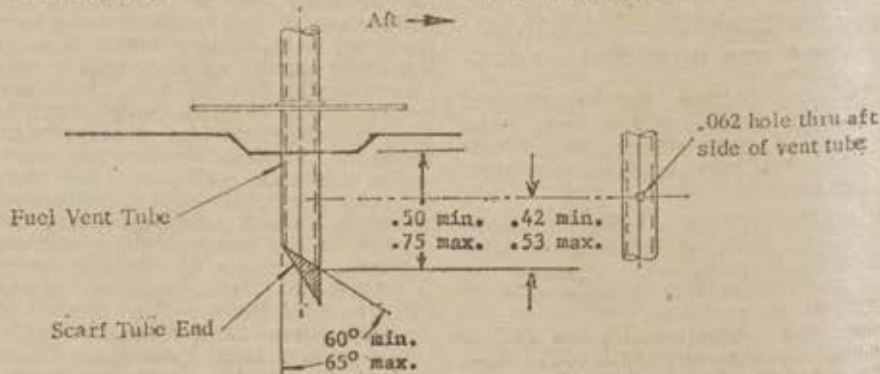
(1) Check to determine whether the main and tip fuel tank fill caps are Piper Part Number 66817-00. Fuel tank fill cap, Piper Part Number 66817-00, contains a circular red rubber seal in the center of the underside of the cap.

(2) If any fuel tank fill cap is not Piper Part Number 66817-00, remove and replace it with Piper Part Number 66817-00.

(c) On Model PA-28-235, serial numbers 28-10001 through 28-7310125; Model PA-32-260, serial numbers 32-03, 32-04, 32-1 through 32-7300036; Model PA-32-300, serial numbers 32-15, 32-21, 32-40000 through 32-7340081, and Model PA-32S-300, serial numbers 32S-15, 32S-40000 through 32S-7240110, airplanes, within the next 50 hours time in service after the effective date of this A.D., unless already accomplished, modify the fuel selector control system in accordance with Piper Service Bulletin 376 dated April 19, 1973.

(d) On Models PA-28-235, serial numbers 28-10001 through 28-7710040; Model PA-32-260, serial numbers 32-03, 32-04, 32-1 through 32-7700016; Model PA-32-300, serial numbers 32-15, 32-21, 32-40000 through 32-7740037, 32-7740039 through 32-7740053, 32-7740055 through 32-7740062, 32-7740064 through 32-7740069, and Model PA-32S-300, serial numbers 32S-15, 32S-40000 through 32S-7240137 airplanes, within the next 50 hours time in service after the effective date of this A.D., perform the following modification and/or inspections to the main and wing tip fuel tank vent tubes:

(1) Unless already accomplished, rework fuel tip tank vent to the dimensions shown on the sketch below:



TIP TANK VENT TUBE

NOTE.—Some tip tanks were not equipped with protruding external vents, and (d) (1) of the A.D. does not apply to those tanks.

(2) Unless already accomplished, install the new main fuel tank vent assembly contained in Piper Kit No. 760 560V.

(i) Remove all screws from each main fuel tank and slide tank forward approximately six (6) inches. Remove present vent assembly.

(ii) Install the new vent assembly contained in Piper Kit No. 760 560V.

(iii) Replace each tank in its proper position, and secure in place with the screws removed in (i).

(3) Inspect both wing tip fuel tank vent tubes scarf angle and alignment to the lower wing surface.

(4) If the tip tank vent tube scarf angle is not between 60° and 65°, or if the vent tube is not perpendicular (90°) plus or minus 2°, rework it to those dimensions.

(5) Inspect both main fuel tank vent tubes scarf angle and alignment to the lower wing surface.

(6) If the vent tube scarf angle is not 40° plus or minus 2°, or if the vent tube is not perpendicular (90°) plus or minus 2°, rework it to those dimensions.

(e) On Models PA-28-235, serial numbers 28-10001 through 28-7710040; Model PA-32-260, serial numbers 32-03, 32-04, 32-1 through 32-7700016; Model PA-32-300, serial numbers 32-15, 32-21, 32-40000 through 32-7740037, 32-7740039 through 32-7740053, 32-7740055 through 32-7740062, 32-7740064 through 32-7740069; and Model PA-32S-300, serial numbers 32S-15, 32S-40000 through 32S-2740137 airplanes, within the next 50 hours time in service after the effective date of this A.D., inspect the two fuel hose assemblies, Piper Part Number 63901-15 or 63901-48 at each main fuel tank for proper installation as follows:

(1) Disconnect both main landing gear strut fairings from the wings.

(2) Remove both main landing gear access covers.

(3) Visually inspect both fuel hose assemblies, Piper Part Number 63901-15 or 63901-48 as applicable.

(i) If the hose assembly is twisted, loosen the inboard end fitting and allow the hose to return to its natural untwisted state.

(ii) If the hose assembly does not return to its natural state with slight hand pressure, replace it with a serviceable hose assembly, Piper Part Number 63901-15 or 63901-48 as applicable.

(4) Reconnect the inboard end fittings, making sure the hose is not twisted, and re-install the main landing gear access covers and strut fairings.

(f) Alternate method of compliance must be approved by the Chief, Engineering and Manufacturing Branch, Federal Aviation Administration, Southern Region.

The checks in this A.D. may be accomplished by the pilot and appropriate log book entries made in accordance with FAR 91.173.

Piper Service Bulletins 342, 376 and 571 pertain to this subject.

This amendment becomes effective June 10, 1977.

(Secs. 313(a), 601, and 603, Federal Aviation Act of 1958, as amended (49 U.S.C. 1354(a), 1421, and 1423); sec. 6(c), Department of Transportation Act (49 U.S.C. 1655(c) and 14 CFR 11.89).)

NOTE.—The Federal Aviation Administration has determined that this document does not contain a major proposal requiring preparation of an Economic Impact Statement under Executive Order 11821, as amended by

Executive Order 11949, and OMB Circular A-107.

Issued in East Point, Georgia, on May 27, 1977.

GEORGE R. LA CAILLE,
Acting Director,
Southern Region.

[FR Doc. 77-16129 Filed 6-8-77; 8:45 am]

[Airspace Docket No. 77-WE-3]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

Alteration of Federal Airways—VORTAC Name Change

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: The Los Banos, Calif., VORTAC is located near Panoche, Calif., and approximately 24 miles south of the city of Los Banos and the Los Banos Airport. To avoid further confusion between flights to the Los Banos Airport and to the Los Banos VORTAC, the name of the VORTAC is changed to Panoche in the description of V-23, V-107, V-109, V-113 and V-230 airways.

EFFECTIVE DATE: August 11, 1977.

FOR FURTHER INFORMATION CONTACT:

Everett McKisson, Airspace Regulations Branch (AAT-230), Air Traffic Rules Division, Air Traffic Service, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, D.C. 20591, telephone 202-426-3715.

SUPPLEMENTARY INFORMATION: The purpose of this amendment to Part 71 of the Federal Aviation Regulations (14 CFR Part 71) is to substitute the words Panoche, Calif., for Los Banos, Calif., where they appear in the description of V-23, V-107, V-109, V-113 and V-230 airways. This action would eliminate the confusion caused by pilots not specifying which Los Banos they intend in their flight plan.

Naming of air navigation aids is an administrative function of the FAA. However, interested persons were advised of the contemplated name change and no objections were raised. Since changing the name of an air navigation aid is a minor action on which the public would have no particular desire to comment, notice and public procedure thereon are unnecessary and good cause exists for making this amendment effective on August 11, 1977.

DRAFTING INFORMATION

The principal authors of this document are Everett L. McKisson, Air Traffic Service, and Jack P. Zimmerman, Office of the Chief Counsel.

ADOPTION OF THE AMENDMENT

Accordingly, pursuant to the authority delegated to me by the Administrator, Subpart C of Part 71 of the Federal Aviation

Regulations (14 CFR Part 71) as republished (42 FR 307) and amended (41 FR 45819) is further amended, effective 0901 GMT, August 11, 1977, as follows:

1. In V-23 "via Los Banos, Calif.," is deleted and "via Panoche, Calif.," is substituted therefor.

2. In V-107 "Los Banos, Calif.; Oakland, Calif., including an E alternate via INT Los Banos 317" is deleted and "Panoche, Calif.; Oakland, Calif., including an E alternate via INT Panoche 317" is substituted therefor.

3. In V-109 "From Los Banos, CA.," is deleted and "From Panoche, Calif., via" is substituted therefor.

4. In V-113 "Los Banos, Calif.," is deleted and "Panoche, Calif.," is substituted therefor.

5. In V-230 "Los Banos, Calif., including a south alternate via INT Salinas, Calif., 100° and Los Banos, Calif., 245° radials;" is deleted and "Panoche, Calif., including a S. alternate via INT Salinas 100° and Panoche 245° radials;" is substituted therefor.

(Secs. 307(a) and 313(a), Federal Aviation Act of 1958 (49 U.S.C. 1348(a) and 1354(a)); sec. 6(c), Department of Transportation Act (49 U.S.C. 1655(c)); and 14 CFR 11.69.)

NOTE.—The FAA has determined that this document does not contain a major proposal requiring preparation of an Economic Impact Statement under Executive Order 11821, as amended by Executive Order 11949, and OMB Circular A-107.

Issued in Washington, D.C., on June 1, 1977.

WILLIAM E. BROADWATER,
Chief, Airspace and Air
Traffic Rules Division.

[FR Doc. 77-15968 Filed 6-8-77; 8:45 am]

[Airspace Docket No. 77-SO-9]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

PART 73—SPECIAL USE AIRSPACE

Alteration and Establishment of Restricted Areas

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: These amendments prescribe and alter several restricted areas over a portion of Florida, to contain U.S. Shuttle Training Aircraft and Space Orbiter Program Operations. These actions are necessary to provide for the safe and efficient use of the navigable airspace by restricting unauthorized flight operations of nonparticipating aircraft within the areas during their times of use.

EFFECTIVE DATE: August 11, 1977.

ADDRESSES: Controlling agency—Federal Aviation Administration, Miami ARTC Center. Using agency—Commander, Air Force Eastern Test Range, Patrick Air Force Base, Florida.

FOR FURTHER INFORMATION CONTACT:

Mr. John Watterson, Airspace Regulations Branch (AAT-230), Airspace

and Air Traffic Rules Division, Air Traffic Service, Federal Aviation Administration, 800 Independence Avenue SW., Washington, D.C. 20591; telephone 202-426-8525.

SUPPLEMENTARY INFORMATION:

HISTORY

On March 31, 1977, the FAA proposed to amend Parts 71 and 73 of the Federal Aviation Regulations (14 CFR Parts 71 and 73) to designate and alter several restricted areas over a portion of Florida, and to designate the affected airspace as special use airspace restricted to authorized participating aircraft during the times of use (42 FR 17139). Interested persons were invited to participate in this rule making proceeding by submitting written comments on the proposal to the FAA. All comments received were favorable. These amendments are those proposed in the notice, § 71.151 and § 73.29 were republished in the *Federal Register* on January 3, 1977 (42 FR 345 and 667, respectively).

THE RULE

These amendments to Parts 71 and 73 of the Federal Aviation Regulations (FARs) alter and designate several restricted areas over a portion of Florida. These alterations and designations are established to contain U.S. Shuttle Training Aircraft and Space Shuttle Operations which involve activities which would create hazards in the operation of nonparticipating aircraft in the designated areas. In addition, those areas encompassing airspace at and above 14,500 feet Mean Sea Level (MSL) are included in the Continental Control Area. Concurrent with these amendments, the FAA is taking nonregulatory action to establish two Military Operations Areas (MOAs) to overlie R-2921 through R-2928 Restricted Areas.

DRAFTING INFORMATION

The principal authors of this document are John Watterson, Air Traffic Service, and Jack P. Zimmerman, Office of the Chief Counsel.

ADOPTION OF THE AMENDMENT

Accordingly, pursuant to the authority delegated to me by the Administrator, Parts 71 and 73 of the Federal Aviation Regulations (14 CFR Parts 71 and 73) are amended, effective 0901 GMT, August 11, 1977, as follows:

1. By amending § 71.151 (42 FR 345) to add the following restricted areas:

R-2921 Cape Kennedy, Fla.
R-2922 Cape Kennedy, Fla.
R-2925 Cape Kennedy, Fla.
R-2926 Cape Kennedy, Fla.
R-2927 Cape Kennedy, Fla.
R-2928 Cape Kennedy, Fla.

2. By amending § 73.29 (42 FR 667) as follows:

a. In R-2921 Cape Kennedy, Fla., the text is amended to read as follows:

Boundaries. Beginning at Lat. 28°49'10" N., Long. 80°50'45" W.; to Lat. 28°51'15" N., Long. 80°47'15" W.; to Lat. 28°51'15" N., Long. 80°42'20" W.; thence three nautical miles from and parallel to the shoreline to Lat. 28°45'20" N., Long. 80°38'25" W.; to Lat. 28°42'10" N., Long. 80°48'20" W.; to point of beginning.

Designated altitudes. 8,000 feet MSL to but not including FL 180.

Time of designation. Intermittent, to be activated by NOTAM at least 24 hours in advance.

Controlling agency. Federal Aviation Administration, Miami ARTC Center.
Using agency. Commander, Air Force Eastern Test Range, Patrick Air Force Base, Fla.

b. In R-2922 Cape Kennedy, Fla., the text is amended to read as follows:

Boundaries. Beginning at Lat. 28°42'10" N., Long. 80°48'20" W.; to Lat. 28°45'20" N., Long. 80°38'25" W.; to Lat. 28°40'00" N., Long. 80°40'28" W.; to Lat. 28°38'00" N., Long. 80°47'02" W.; to point of beginning. Designated altitudes. 1200 feet MSL to but not including FL 180.

Time of designation. Intermittent, to be activated by NOTAM at least 24 hours in advance.

Controlling agency. Federal Aviation Administration, Miami ARTC Center.
Using agency. Commander, Air Force Eastern Test Range, Patrick Air Force Base, Fla.

Also, in § 73.29 the following restricted areas are added:

c. R-2926 Cape Kennedy, Fla.:

Boundaries. Beginning at Lat. 28°38'00" N., Long. 80°47'02" W.; to Lat. 28°40'00" N., Long. 80°40'28" W.; to Lat. 28°34'00" N., Long. 80°35'45" W.; to Lat. 28°24'30" N., Long. 80°38'00" W.; to Lat. 28°24'30" N., Long. 80°41'45" W.; to Lat. 28°30'30" N., Long. 80°43'30" W.; to Lat. 28°37'35" N., Long. 80°46'50" W.; to point of beginning. Designated altitudes. Surface to unlimited—except that airspace below 1200 feet AGL west of line from Lat. 28°31'20" N., Long. 80°43'50" W.; to Lat. 28°28'40" N., Long. 80°40'30" W.; to Lat. 28°24'30" N., Long. 80°40'30" W.

Time of designation. Continuous.
Controlling agency. Federal Aviation Administration, Miami ARTC Center.

Using agency. Commander, Air Force Eastern Test Range, Patrick Air Force Base, Fla.

d. R-2927 Cape Kennedy, Fla.:

Boundaries. Beginning at Lat. 28°24'30" N., Long. 80°41'45" W.; to Lat. 28°24'30" N., Long. 80°30'30" W.; to Lat. 28°22'30" N., Long. 80°35'00" W.; to Lat. 28°22'30" N., Long. 80°40'50" W.; to point of beginning. Designated altitudes. 8,000 feet MSL to but not including FL 180.

Time of designation. Intermittent, to be activated by NOTAM at least 24 hours in advance.

Controlling agency. Federal Aviation Administration, Miami ARTC Center.
Using agency. Commander, Air Force Eastern Test Range, Patrick Air Force Base, Fla.

e. R-2928 Cape Kennedy, Fla.:

Boundaries. Beginning at Lat. 28°40'00" N., Long. 80°40'28" W.; to Lat. 28°45'20" N., Long. 80°38'25" W.; thence three nautical miles from and parallel to the shoreline to Lat. 28°41'40" N., Long. 80°35'00" W.; to point of beginning.

Designated altitudes. Surface to unlimited.
Time of designation. Continuous.

Controlling agency. Federal Aviation Administration, Miami ARTC Center.

Using agency. Commander, Air Force Eastern Test Range, Patrick Air Force Base, Fla.

(Sec. 307(a), Federal Aviation Act of 1958 (49 U.S.C. 1348(a)); sec. 6(c), Department of Transportation Act (49 U.S.C. 1655(c)); and 14 CFR 11.69.)

NOTE.—The FAA has determined that this document does not contain a major proposal requiring preparation of an Economic Impact Statement under Executive Order 11821, as amended by Executive Order 11949, and OMB Circular A-107.

Issued in Washington, D.C., June 1, 1977.

WILLIAM E. BROADWATER,
Chief, Airspace and Air
Traffic Rules Division.

[FR Doc. 77-15969; Filed 6-8-77; 8:45 am]

[Airspace Docket No. 76-PC-7]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

Alteration of Controlled Airspace, Transition Area

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This amendment would extend the Honolulu, Hawaii, 700 foot transition area southward to include the area necessary for controlling IFR flights to and from the east and southeast at lower altitudes.

EFFECTIVE DATE: August 11, 1977.

FOR FURTHER INFORMATION CONTACT:

Everett L. McKisson, Airspace Regulations Branch (AAT-230), Air Traffic Rules Division, Air Traffic Service, Federal Aviation Administration, 800 Independence Avenue SW., Washington, D.C. 20591; telephone 202-426-3715.

SUPPLEMENTARY INFORMATION:

HISTORY

On January 21, 1977, the FAA published for comment a proposal to alter the 700 foot transition area at Honolulu to include an area south of the present area and within 15 NM of the Honolulu International Airport (42 FR 3861). Interested persons were invited to participate in this rule making proceeding by submitting written comments on the proposal to the FAA. No comments were received.

THE RULE

This amendment to Part 71 of the Federal Aviation Regulations (FARs) enlarges the 700 foot transition area southward to permit the control of IFR flights to and from the south at a lower altitude than is presently available.

DRAFTING INFORMATION

The principal authors of this document are Everett L. McKisson, Air Traffic Service, and Jack P. Zimmerman, Office of the Chief Counsel.

ADOPTION OF THE AMENDMENT

Accordingly, pursuant to the authority delegated to me by the Administrator, Subpart G of Part 71 of the Federal Aviation Regulations (14 CFR Part 71) as republished (42 FR 440) is amended, effective 0901 GMT, August 11, 1977, as follows:

In Honolulu, Hawaii, all before "and that airspace extending upward from 1,200 feet" is deleted and "That airspace extending upward from 700 feet above the surface south and southeast of Honolulu beginning at Lat. 21°20'30" N., Long. 157°51'15" W., thence south to Lat. 21°15'30" N., Long. 157°49'15" W., thence east along the shoreline to and clockwise along the arc of a 15 NM radius circle centered on Honolulu International Airport (Lat. 21°19'35" N., Long. 157°55'45" W.) to Lat. 21°08'40" N., Long. 158°07'35" W., thence northwest to Lat. 21°10'10" N., Long. 158°11'55" W., thence northeast along a line 4.5 miles southeast of and parallel to the Honolulu VORTAC 242° radial to and counterclockwise along the arc of a 5-mile radius circle centered on NAS Barbers Point (Lat. 21°18'35" N., Long. 158°04'30" W.) to and counterclockwise along the arc of a 5-mile radius circle centered on Honolulu International Airport to the point of beginning, and within 3 miles northwest and 4.5 miles southeast of the Honolulu VORTAC 242° radial, extending from 13 miles to 14 miles southwest of the VORTAC;" is substituted therefor. Additionally, the heading is changed to read: "Honolulu, Hawaii. (Honolulu International Airport)."

(Sec. 307(a) and 1110, Federal Aviation Act of 1958 (49 U.S.C. 1348(a) and 1510), Executive Order 10854 (24 FR 3565); Sec. 6(c), Department of Transportation Act (49 U.S.C. 1555 (c); and 14 CFR 11.69).)

Note.—The FAA has determined that this document does not contain a major proposal requiring preparation of an Economic Impact Statement under Executive Order 11821, as amended by Executive Order 11949, and OMB Circular A-107.

Issued in Washington, D.C., on June 1, 1977.

WILLIAM E. BROADWATER,
Chief, Airspace and Air
Traffic Rules Division.

[PR Doc. 77-15970 Filed 6-8-77; 8:45 am]

SUBCHAPTER F—AIR TRAFFIC AND GENERAL OPERATING RULES

[Docket No. 16917; Amdt. No. 1076]

PART 97—STANDARD INSTRUMENT APPROACH PROCEDURES

Miscellaneous Amendments

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This amendment establishes, amends, suspends, or revokes Standard Instrument Approach Procedures (SIAPs) for operations at certain airports. These regulatory actions are needed because of the adoption of new or revised criteria, or because of changes occurring in the National Airspace System, such as the commissioning of new navigational facilities, addition of new obstacles, or changes in air traffic requirements. These changes are designed to provide safe and efficient

use of the navigable airspace and to promote safe flight operations under instrument flight rules at the affected airports.

DATES: An effective date for each SIAP is specified in the amendatory provisions.

ADDRESSES: Availability of matters incorporated by reference in the amendment is as follows: *For Examination.*—1. FAA Rules Docket, FAA Headquarters Building, 800 Independence Avenue, SW., Washington, D.C. 20591; 2. The FAA Regional Office of the region in which the affected airport is located; or 3. The Flight Inspection Field Office which originated the SIAP. *For Purchase.*—Individual SIAP codes may be obtained from: 1. FAA Public Information Center (APA-430), FAA Headquarters Building, 800 Independence Avenue, SW., Washington, D.C. 20591; or 2. The FAA Regional Office of the region in which the affected airport is located. *By Subscription.*—Copies of all SIAPs, mailed weekly, may be ordered from Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. The current annual subscription price is \$150.00; add \$30.00 for each additional copy mailed to the same address.

FOR FURTHER INFORMATION CONTACT:

William L. Bersch, Flight Procedures and Airspace Branch (AFS-730), Aircraft Programs Division, Flight Standards Service, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, D.C. 20591, telephone 202-426-8277.

SUPPLEMENTARY INFORMATION: This amendment to Part 97 of the Federal Aviation Regulations (14 CFR Part 97) prescribes new, amended, suspended, or revoked Standard Instrument Approach Procedures (SIAPs). The complete regulatory description of each SIAP is contained in official FAA form documents which are incorporated by reference in this amendment under 5 U.S.C. 552(a), 1 CFR Part 51, and § 97.20 of the Federal Aviation Regulations (FARs). The applicable FAA forms are identified as FAA Forms 8260-3, 8260-4 and 8260-5. Materials incorporated by reference are available for examination or purchase as stated above.

The large number of SIAPs, their complex nature, and the need for a special format make their verbatim publication in the Federal Register expensive and impractical. Further, airmen do not use the regulatory text of the SIAPs but refer to their graphic depiction on charts printed by publishers of aeronautical materials. Thus, the advantages of incorporation by reference are realized and publication of the complete description of each SIAP contained in FAA form document is unnecessary. The provisions of this amendment state the affected CFR (and FAR) sections, with the types and effective dates of the SIAPs. This amendment also identifies the airport, its location, the procedure identification and the amendment number.

This amendment to Part 97 is effective on the date of publication and contains separate SIAPs which have compliance dates stated as effective dates based on related changes in the National Airspace System or the application of new or revised criteria. Some SIAP amendments may have been previously issued by the FAA in a National Flight Data Center (FDC) Notice to Airmen (NOTAM) as an emergency action of immediate flight safety relating directly to published aeronautical charts. The circumstances which created the need for some SIAP amendments may require making them effective in less than 30 days. For the remaining SIAPs, an effective date at least 30 days after publication is provided.

Further, the SIAPs contained in this amendment are based on the criteria contained in the U.S. Standard for Terminal Instrument Approach Procedures (TERPs). In developing these SIAPs, the TERPs criteria were applied to the conditions existing or anticipated at the affected airports. Because of the close and immediate relationship between these SIAPs and safety in air commerce, I find that notice and public procedure before adopting these SIAPs is unnecessary, impracticable, or contrary to the public interest and, where applicable, that good cause exists for making some SIAPs effective in less than 30 days.

The principal authors of this document are Rudolph L. Fioretti, Flight Standards Service, and Richard W. Danforth, Office of the Chief Counsel.

ADOPTION OF THE AMENDMENT

Accordingly, pursuant to the authority delegated to me, Part 97 of the Federal Aviation Regulations (14 CFR Part 97) is amended by establishing, amending, suspending, or revoking Standard Instrument Approach Procedures, effective on the dates specified, as follows:

1. By amending § 97.23 VOR-VOR/DME SIAPs identified as follows:

*** Effective August 11, 1977.

Sacramento, CA—Sacramento Executive, VOR Rwy 2, Amdt. 6
Beaumont-Port Arthur, TX—Jefferson County, VOR Rwy 11, Amdt. 5
Beaumont-Port Arthur, TX—Jefferson County, VOR-A, Amdt. 4
Beaumont-Port Arthur, TX—Jefferson County, VOR-B, Amdt. 4
Beaumont-Port Arthur, TX—Jefferson County, VOR-C, Amdt. 3
Beaumont-Port Arthur, TX—Jefferson County, VOR/DME-D, Original
Beaumont-Port Arthur, TX—Jefferson County, VOR/DME Rwy 16, Orig., cancelled
Beaumont-Port Arthur, TX—Jefferson County, VOR/DME Rwy 34 (TAC), Amdt. 4

*** Effective July 28, 1977.

Enid, OK—Enid Woodring Municipal, VOR Rwy 17, Amdt. 5
Enid, OK—Enid Woodring Municipal, VOR Rwy 35, Amdt. 6

*** Effective July 21, 1977.

Cross City, FL—Cross City, VOR Rwy 31, Amdt. 15
Hopedale, MA—Hopedale-Draper, VOR-A, Amdt. 1
Hibbing, MN—Chisholm-Hibbing, VOR Rwy 13 (TAC), Amdt. 8
Hibbing, MN—Chisholm-Hibbing, VOR Rwy 31 (TAC), Amdt. 12

Greenville, MS—Greenville International, VOR Rwy 17L, Amdt. 7
 Jaffrey, NH—Jaffrey Muni., VOR-A, Amdt. 2
 Amityville, NY—Zahns, VOR-A, Amdt. 4
 Lancaster, PA—Lancaster Airport, VOR Rwy 8, Amdt. 12
 Lancaster, PA—Lancaster Airport, VOR Rwy 31, Amdt. 9
 Lancaster, PA—Lancaster Airport, VOR/DME Rwy 26, Amdt. 2
 West Point, VA—West Point Municipal, VOR-A, Original
 West Point, VA—West Point Municipal, VOR Rwy 33, Amdt. 5, cancelled
 Racine, WI—Horlick-Racine, VOR Rwy 4, Amdt. 3
 Racine, WI—Horlock-Racine, VOR Rwy 22, Amdt. 5

***** Effective July 14, 1977.**

Houma, LA—Houma-Terrebonne, VOR/DME Rwy 12, Orig.
 Houma, LA—Houma-Terrebonne, VOR Rwy 12, Amdt. 8, cancelled

2. By amending § 97.25 SDF-LOC-LDA SIAPs identified as follows:

***** Effective August 11, 1977.**

New Orleans, LA—New Orleans International (Molsant Field), LOC BC Rwy 19, Amdt. 4
 Beaumont-Port Arthur, TX—Jefferson County, LOC BC Rwy 29, Amdt. 12

***** Effective July 21, 1977.**

Hibbing, MN—Chisholm-Hibbing, LOC(BC) Rwy 13, Amdt. 4
 Greenville, MS—Greenville International, LOC(BC) Rwy 35R, Amdt. 3
 Concord, NH—Concord Muni., LOC Rwy 35, Amdt. 1
 Barre-Montpelier, VT—Edward F. Knapp State, LOC Rwy 17, Amdt. 1

3. By amending § 97.27 NDB/ADF SIAPs identified as follows:

***** Effective August 11, 1977.**

Sacramento, CA—Sacramento Executive, NDB Rwy 2, Amdt. 6
 New Orleans, LA—New Orleans International (Molsant Field) NDB Rwy 10, Amdt. 21
 Beaumont-Port Arthur, TX—Jefferson County, NDB Rwy 11, Amdt. 11

***** Effective July 21, 1977.**

Greenville, MS—Greenville International NDB Rwy 35R, Amdt. 3
 Concord, NH—Concord Muni., NDB Rwy 35, Amdt. 1
 Linden, NJ—Linden, NDB-B, Amdt. 1
 Amityville, NY—Zahns, NDB Rwy 36, Amdt. 7

***** Effective June 16, 1977.**

Lufkin, TX—Angelina County, NDB Rwy 33, Original

4. By amending § 27.29 ILS-MLS SIAPs identified as follows:

***** Effective August 11, 1977.**

Sacramento, CA—Sacramento Executive, ILS Rwy 2, Amdt. 19
 New Orleans, LA—New Orleans International (Molsant Field) ILS Rwy 1, Amdt. 5
 Beaumont-Port Arthur, TX—Jefferson County, ILS Rwy 11, Amdt. 13

***** Effective July 21, 1977.**

Hibbing, MN—Chisholm-Hibbing, ILS Rwy 31, Amdt. 6
 Greenville, MS—Greenville International, ILS Rwy 17L, Amdt. 5
 Lancaster, PA—Lancaster, ILS Rwy 8, Amdt. 5

5. By amending § 97.31 RADAR SIAPs identified as follows:

***** Effective August 11, 1977.**

New Orleans, LA—New Orleans International (Molsant Field), RADAR-1, Amdt. 10

6. By amending § 97.33 RNAV SIAPs identified as follows:

***** Effective August 11, 1977.**

New Orleans, LA—New Orleans International (Molsant Field) RNAV Rwy 1, Amdt. 4

(Secs. 307, 313(a), 601, and 1110, Federal Aviation Act of 1958 (49 U.S.C. 1348, 1354(a), 1421, and 1510); sec. 6(c), Department of Transportation Act (49 U.S.C. 1655(c)); Delegation: 25 FR 6489 and Paragraph 802 of Order FS P 1100.1, as amended March 9, 1973.)

NOTE.—The Federal Aviation Administration has determined that this document does not contain a major proposal requiring preparation of an Economic Impact Statement under Executive Order 11821, as amended by Executive Order 11949, and OMB Circular A-107.

Issued in Washington, D.C., on June 3, 1977.

JAMES M. VINES,

Chief,

Aircraft Programs Division.

NOTE.—The incorporation by reference in the preceding document was approved by the Director of the Federal Register on May 12, 1969.

[FR Doc. 77-16241 Filed 6-8-77; 8:45 am]

Title 16—Commercial Practices

CHAPTER I—FEDERAL TRADE COMMISSION

[Docket 9063]

PART 13—PROHIBITED TRADE PRACTICES, AND AFFIRMATIVE CORRECTIVE ACTIONS

Providence Washington Insurance Company, et al.

AGENCY: Federal Trade Commission.

ACTION: Final order.

SUMMARY: This order, among other things, requires a Providence, R.I. insurance company and its subsidiary, Providence Premium Service, Inc., to cease misrepresenting to delinquent debtors that legal action is imminent or that delinquent accounts have been referred to third parties for collection. Further, the firm is required to cease violating the Truth in Lending Act by failing, in connection with the extension of consumer credit, to use proper terminology and to provide such disclosures as are required by Federal Reserve Board regulations. Additionally, the order dismisses the complaint issued against Christopher F. Kempf in his individual capacity and as a named officer of the two firms.

DATES: Complaint issued Nov. 24, 1975. Final Order issued May 3, 1977.
FOR FURTHER INFORMATION CONTACT:

William M. Gibson, Director, Boston Regional Office, Federal Trade Commission, 150 Causeway St., Rm. 1301, Boston, Mass. 02114. (617) 223-6621.

¹ Copies of the Complaint, Initial Decision, Final Order and Opinion, filed with the original document.

SUPPLEMENTARY INFORMATION: In the Matter of Providence Washington Insurance Company, a corporation, and Providence Premium Service, Inc., a corporation, and Christopher F. Kempf, individually and as an officer of said corporations. The prohibited trade practices and/or affirmative corrective actions, as codified under 16 CFR 13, are as follows:

Subpart—Coercing and Intimidating: § 13.356 Delinquent debtors, Subpart—Corrective actions and/or requirements; § 13.533 Corrective actions and/or requirements; § 13.533-20 Disclosures; § 13.533-37 Formal regulatory and/or statutory requirements. Subpart—Enforcing Dealings or Payments Wrongfully: § 13.1045 Enforcing dealings or payments wrongfully. Subpart—Misrepresenting Oneself and Goods—Business Status, Advantages or Connections: § 13.1370 Business methods, policies, and practices; § 13.1395 Connections and arrangements with others; § 13.1520 Personnel or staff—Goods: § 13.1623 Formal regulatory and statutory requirements; § 13.1623-95 Truth in Lending Act; § 13.1675 Law or legal requirements; § 13.1740 Scientific or other relevant facts. Prices: § 13.1823 Terms and conditions; § 13.1823-20 Truth in Lending Act. Subpart—Neglecting, Unfairly or Deceptively, to Make Material Disclosure: § 13.1852 Formal regulatory and statutory requirements; § 13.1852-75 Truth in Lending Act; § 13.1895 Scientific or other relevant facts; § 13.1905 Terms and conditions; § 13.1905-60 Truth in Lending Act. Subpart—Threatening Suits, Not in Good Faith: § 13.2264 Delinquent debt collection.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended: 82 Stat. 146, 147; 15 U.S.C. 45, 1601, et seq.)

The final order, including further order requiring report of compliance therewith, is as follows:

FINAL ORDER

This matter having been heard by the Commission upon the appeal of respondents' counsel from the initial decision and upon briefs and oral argument in support thereof and opposition thereto, and the Commission, for the reasons stated in the accompanying Opinion, having substantially denied the appeal, while granting it in minor part:

It is ordered, That pages 1-58 of the initial decision of the administrative law judge be, and they hereby are, adopted as the Findings of Fact and Conclusions of Law of the Commission, with the following exceptions: p. 27, final two paragraphs; p. 28, first four paragraphs.

Other Findings of Fact and Conclusions of Law of the Commission are contained in the accompanying Opinion.

It is further ordered, That the following Order to cease and desist be, and it hereby is, entered:

ORDER

I

It is ordered, That respondents Providence Washington Insurance Company and Providence Premium Service, Inc., corporations, their successors and assigns, and their off-

cers, agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with the collection of, or attempts to collect, accounts in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Misrepresenting by any means, directly or by implication, that delinquent accounts have been or will be referred to an independent, third-party attorney or to any attorney for institution of legal action.
2. Misrepresenting by any means, directly or by implication, that:
 - (a) Respondents are prepared to institute, or cause to be instituted, legal proceedings in the collection of delinquent accounts.
 - (b) Legal action with respect to an allegedly delinquent account has been, or is about to be, or may be initiated.
3. Misrepresenting by any means, directly or by implication that any delinquent account has been or will be referred to any third party for collection action.

II

It is further ordered, That respondents Providence Washington Insurance Company and Providence Premium Service, Inc., corporations, their successors and assigns, and their officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with any extension of consumer credit, as "consumer credit" is defined in Regulation Z (12 CFR Part 226) of the Truth in Lending Act (Pub. L. 90-321, 15 U.S.C. 1601 et seq.) do forthwith cease and desist from:

1. Failing to disclose the annual percentage rate, computed in accordance with § 226.5 of Regulation Z, as required by § 226.8(b)(2) of Regulation Z.
2. Failing to disclose the annual percentage rate accurately to the nearest quarter of one percent, in accordance with § 226.5 of Regulation Z, as required by § 226.8(b)(2) of Regulation Z.
3. Failing to use the term "cash price" as defined in § 226.2(i) of Regulation Z, to describe the purchase price of the transaction, as required by § 226.8(c)(1) of Regulation Z.
4. Failing to use the term "cash downpayment" to describe the downpayment in money made in connection with the credit sale, as required by § 226.8(c)(2) of Regulation Z.
5. Failing to use the term "unpaid balance of the cash price" to describe the difference between the cash price and the total downpayment, as required by § 226.8(c)(3) of Regulation Z.
6. Failing to use the term "amount financed" to describe the amount of credit extended, as required by § 226.8(c)(7) of Regulation Z.
7. Failing to use the term "finance charge" to describe the sum of all charges, as required by § 226.4 of Regulation Z to be included therein, as required by § 226.8(c)(8) of Regulation Z.
8. Failing to use the term "total of payments" to describe the sum of the payments scheduled to repay the indebtedness, as required by § 226.8(b)(3) of Regulation Z.
9. Failing to disclose the sum of the cash price, all charges which are included in the amount financed but which are not part of the finance charge, and the finance charge, and to describe that sum as the "deferred payment price", as required by § 226.8(c)(8) of Regulation Z.
10. Failing to make all disclosures required by Regulation Z clearly, conspicuously and in a meaningful sequence, as required by § 226.9(a) of Regulation Z.
11. Failing in any consumer transaction to make all disclosures determined in accordance with § 226.4 and § 226.5 of Regulation Z at the time and in the manner, form, and amount required by §§ 226.6, 226.8 and § 226.10 of Regulation Z.

Provided, however, That the foregoing provisions of Parts I and II of this order shall not apply to any extension of credit for payment of premiums afforded in connection with the sale of insurance on credit in the State of Texas where the creditor is the seller of the insurance; nor shall they apply to the acts and practices of the seller of insurance in connection with the collection of, or attempts to collect, unpaid balances of premiums for such insurance sold in Texas.

It is further ordered, That the complaint against Christopher F. Kempf in his individual capacity and as a named officer of Providence Washington Insurance Company and Providence Premium Service, Inc., be, and it hereby is, dismissed.

It is further ordered, That respondent corporations deliver a copy of this order to cease and desist to all present and future personnel of respondents now or hereafter engaged in the consummation of any extension of consumer credit, other than an extension of credit in Texas exempted from the foregoing provision of this order, and that respondents secure a signed statement acknowledging receipt of said order from each such person.

It is further ordered, That respondent corporations notify the Commission at least thirty (30) days prior to any proposed change in any of the corporate respondents, such as dissolution, assignment, or sale resulting in the emergence of any successor corporation or corporations, the creation or dissolution of subsidiaries, or any other change in the corporations which may affect compliance obligations arising out of the order.

It is further ordered, That the respondent corporations or their successors and assigns shall, within sixty (60) days of the effective date of this Order, file with the Commission a report in writing, setting forth in detail the manner and form in which they have complied with the provisions of this Order.

JOHN F. DUGAN,
Acting Secretary.

[FR Doc. 77-16341 Filed 6-8-77; 8:45 am]

Title 24—Housing and Urban Development

SUBTITLE A—OFFICE OF THE SECRETARY

[Docket No. R-77-350]

PART 16—IMPLEMENTATION OF THE PRIVACY ACT OF 1974

Fees

AGENCY: Department of Housing and Urban Development.

ACTION: Final rule.

SUMMARY: This finalizes the proposed amendment of 24 CFR 16.12 published March 9, 1977, at 42 FR 13123. The amendment will permit the Department of Housing and Urban Development to charge a fee for copying when an individual requests voluminous records covered by the Civil Service Commission's Government-wide published systems of notice of systems of records and the cost of copying will be in excess of five dollars. The amendment calls for payment to be made in favor of the "Treasurer of the United States" rather than to the "U.S. Department of Housing and Urban Development". Copying

* Chairman Pertschuk did not participate.

may be undertaken before collection of the fees.

EFFECTIVE DATE: July 11, 1977.

ADDRESS: Rules Docket Clerk, Room 10141, Department of Housing and Urban Development, 451 Seventh Street SW., Washington, D.C. 204101.

FOR FURTHER INFORMATION CONTACT:

Mr. Harold Rosenthal, Departmental Privacy Act Officer (202-755-5192).

SUPPLEMENTARY INFORMATION: The Department has determined that an Environmental Impact Statement is not required with respect to this rule. A copy of the Finding of Inapplicability is available for inspection at the above address.

NOTE.—It is hereby certified that the economic and inflationary impacts of this rule have been carefully evaluated in accordance with OMB Circular A-107.

Accordingly, Paragraphs (a)(3) and (c) of § 16.12 of Title 24 of the Code of Federal Regulations are amended to read as follows:

§ 16.12 Fees.

(a) * * *

(3) As requested by the United States Civil Service Commission in its published regulations implementing the Act, the Department will charge no fee to an individual who requests copies of a personnel record covered by that Commission's Government-wide published notice of systems of records. However, when such records are voluminous and the cost of copying would be in excess of five dollars (\$5) the Department may, in its discretion, charge a fee.

(c) Payment of fees under this section shall be made in cash, or preferably by check or money order payable to the "Treasurer of the United States." Payment shall be delivered or sent to the office stated in the billing notice or, if none is stated, to the Privacy Act Officer processing the request. Payment may be required in the form of a certified check in appropriate circumstances. Postage stamps will not be accepted.

AUTHORITY: The Privacy Act, 5 U.S.C. 552a; Sec. 7(d), Department of Housing and Urban Development Act, 42 U.S.C. 3535(d).

Issued at Washington, D.C., June 3, 1977.

PATRICIA ROBERTS HARRIS,
Secretary of Housing and Urban Development.

[FR Doc. 77-16360 Filed 6-8-77; 8:45 am]

CHAPTER X—FEDERAL INSURANCE ADMINISTRATION, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SUBCHAPTER C—FEDERAL CRIME INSURANCE PROGRAM

[Docket No. R-77-456]

PART 1930—DESCRIPTION OF PROGRAM AND OFFER TO AGENTS

PART 1931—PURCHASE OF INSURANCE AND ADJUSTMENT OF CLAIMS

States Eligible for Sale of Insurance Against Burglary and Robbery

AGENCY: Federal Insurance Administration, HUD.

ACTION: Final rule.

SUMMARY: This rule updates the list of States eligible for the sale of insurance against burglary and robbery losses, under the Federal Crime Insurance Program, by adding the states of Alabama and Iowa. Under the Act, these states are not eligible to participate in this Program until they have been included by publication in the *FEDERAL REGISTER*.

EFFECTIVE DATE: May 1, 1977.

FOR FURTHER INFORMATION CONTACT:

Mr. James M. Rose, Jr., Assistant Administrator for Urban Property Insurance—Riot and Crime, 451 Seventh Street SW., Washington, D.C. 20410, Telephone number 202-755-6555.

SUPPLEMENTARY INFORMATION:

This rule will extend to the citizens of Alabama, effective June 1, 1977, and Iowa, effective May 1, 1977, eligibility to purchase Federal crime insurance policies against burglary and robbery losses under the Federal Crime Insurance Program by updating § 1930.6 and § 1931.1 to provide a current designation of the servicing company for the Federal Crime Insurance Program and to update the list of States eligible for the sale of crime insurance.

This action is being taken under the authority of 12 U.S.C. 1749bbb-10a on the basis of evidence obtained through a continuing review of the market availability situation in each of the several States and particularly upon the conclusions and recommendations of the Insurance Commissioners of these two States who requested that their citizens be made eligible for Federal crime insurance. The effect of this action will be to enable residents and businesses in the states of Alabama and Iowa to obtain the same benefits of purchasing Federal crime insurance policies which is currently available to residents and businesses in the District of Columbia and the States of Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Kansas, Maryland, Massachusetts, Minnesota, Missouri, New Jersey, New York, Pennsylvania, Ohio, Rhode Island, Tennessee, and Virginia.

The Federal Crime Insurance Program commenced operation in August 1971 and approximately 34,000 policies are currently in force in the District of Columbia and nineteen States eligible for Federal crime insurance. The Program enables residents and businesses to obtain affordable policies of burglary and robbery insurance which will not be cancelled or nonrenewed because of losses. Applicants are required to meet minimum protective device requirements designed to reduce their vulnerability to crime losses. Since 1971, the Program has grown from the District of Columbia and nine States to a current total of the District of Columbia and nineteen States. The Insurance Commissioners of Alabama and Iowa, after considering the insurance needs of their respective States, have requested that their citizens be made eligible to purchase Federal crime

insurance. With the addition of these two States, the Federal Crime Insurance Program will be available to residents and businesses in the District of Columbia and twenty-one States. Accordingly, on the basis of the Administrator's continuing review of the crime insurance availability situation in the various States and on the basis of findings and recommendations by the Commissioners of Insurance, it has been determined that a critical market unavailability situation exists in the States set forth in revised § 1931.1 and that as of the effective date of this regulation, May 1, 1977, these States will be made eligible for the sale of crime insurance, or continue to be eligible for such sale (except that with respect to Alabama, the Federal Crime Insurance Program will be in operation on June 1, 1977). Because the availability of Federal crime insurance is beneficial to the public, it is unnecessary to provide for notice and public procedure, and good cause exists for making these amendments effective on May 1, 1977.

A Finding of Inapplicability respecting the National Environmental Policy Act of 1969 has been made in accordance with HUD Regulations published at 38 FR 19182, 19186. A copy of this Finding of Inapplicability is available for public inspection during regular business hours at the following address: Rules Docket Clerk, Department of Housing and Urban Development, Room 5218, 451 Seventh Street SW., Washington, D.C. 20410.

NOTE.—It is also certified that the economic and inflationary impacts of this proposed regulation have been carefully evaluated in accordance with OMB Circular A-107.

1. Section 1930.6 is revised to read as follows:

§ 1930.6 Name and address of servicing company.

The following company has been designated to act as servicing company for the Federal Crime Insurance Program: Safety Management Institute, Federal Crime Insurance, P.O. Box 41033, Washington, D.C. 20014. SMI's toll-free number is 800-638-8780. In Washington, D.C., Metropolitan Area call 652-2367. In Maryland, outside Washington, D.C., Metropolitan Area, call collect 301-652-2637.

2. Paragraph (b) of § 1931.1 is revised to read as follows:

§ 1931.1 States eligible for sale of crime insurance.

(b) On the basis of the information available, the Administrator has determined that the States set forth in this paragraph have an unresolved critical market availability situation that requires the operation of the Federal Crime Insurance Program therein as of May 1, 1977 (except as to Alabama wherein, as designated on the list of States below, the Federal Crime Insurance Program shall be in operation as of June 1, 1977). Accordingly, the program is in operation in the following States:

Alabama
(June 1, 1977)
Arkansas
Colorado
Connecticut
Delaware
District of
Columbia
Florida
Georgia
Illinois
Iowa

Kansas
Maryland
Massachusetts
Minnesota
Missouri
New Jersey
New York
Ohio
Pennsylvania
Rhode Island
Tennessee
Virginia

(Sec. 7(d), 79 Stat. 670; 42 U.S.C. 3535(d);
Sec. 1103, 82 Stat. 466; 12 U.S.C. 1749bbb-17.)

J. ROBERT HUNTER,
Acting Federal
Insurance Administrator,

[FR Doc. 77-16358 Filed 6-8-77; 8:45 am]

Title 33—Navigation and Navigable Waters**CHAPTER I—COAST GUARD,
DEPARTMENT OF TRANSPORTATION**

[CGD 75-173]

**PART 161—VESSEL TRAFFIC
MANAGEMENT****Puget Sound Vessel Traffic Service**

AGENCY: Coast Guard, DOT.

ACTION: Final Rule.

SUMMARY: This amendment changes the operating rules for the Puget Sound Vessel Traffic Service (VTS). This amendment is intended to simplify reporting requirements and reduce congestion on the over crowded assigned radio frequency. This amendment also requires vessels which lack radio communications to notify and receive permission to get underway from the Vessel Traffic Center (VTC) to prevent vessels from transiting without the means to receive the information provided by the VTC for safe transit in the Puget Sound VTS area.

EFFECTIVE DATE: This amendment is effective on July 11, 1977.

FOR FURTHER INFORMATION CONTACT:

Captain George K. Greiner, Marine Safety Council (G-CMC/81), Room 8117, Department of Transportation, Nassif Building, 400 Seventh Street SW., Washington, D.C. 20590 (202-426-1477).

SUPPLEMENTARY INFORMATION: On January 17, 1977, a notice of proposed rulemaking was published in the *FEDERAL REGISTER* (42 FR 3182); it proposed to change the operating regulations for the Puget Sound Vessel Traffic Service. Interested persons were given the opportunity to submit comments no later than March 4, 1977.

DRAFTING INFORMATION: The principal persons involved in drafting this rule are: Commander E. J. Hickey, Project Manager, and Mr. Stephen Jackson, Project Attorney.

DISCUSSION OF COMMENTS

Four comments were received. Three commenters endorsed the proposed amendments as published. The fourth commentator requested clarification of § 161.131. Section 161.131 previously required the final report to be made when anchoring, mooring, or departing the

VTS. Paragraph (b) was proposed to allow these vessels to report up to 60 minutes before these maneuvers occur if the vessels are not in the TSS.

Proposed § 161.133(b)(2) is deleted. In the Puget Sound VTS area, a situation when a vessel could not contact the VTC by any means before getting underway would be unlikely. The Coast Guard is concerned that "unable to contact the VTC" could be interpreted to mean inconvenient to contact the VTC, which would substantially dilute the intent of this section. Paragraph (b)(1) becomes paragraph (b) to be consistent with the form of the rest of the part.

The proposed changes to Part 161 of Chapter I of Title 33 of the Code of Federal Regulations are hereby adopted with one change and are set forth below.

The Coast Guard has determined that this document does not contain a major proposal requiring preparation of an Economic Impact Statement under Executive Order 11821, as amended, and OMB Circular A-107.

Dated: May 31, 1977.

O. W. SILER,
Admiral, U.S. Coast Guard,
Commandant.

1. By revising the title of Part 161 to read: "VESSEL TRAFFIC MANAGEMENT".

Subpart B—Vessel Traffic Services

2. By revising the title of Subpart B of Part 161 to read: "Vessel Traffic Services".

2a. By adding the heading "PUGET SOUND VESSEL TRAFFIC SERVICE" immediately before § 161.101.

§ 161.101 [Amended]

3. In § 161.101, by striking the word "system" and inserting the word "service" in place thereof on line 3 of paragraph (a).

§ 161.103 [Amended]

4. In § 161.103(a), by striking the word "system" and inserting the word "service" in place thereof at the end of the paragraph.

5. In § 161.103(b), by striking the word "system" and inserting the word "service" in place thereof on the first line of the paragraph.

§ 161.120 [Amended]

6. In § 161.120, by inserting the words "current edition of" between the words "designated in" and "Puget Sound VTS Operating Manual."

7. By revising § 161.128 to read:

§ 161.128 Initial report.

Except as provided in § 161.129, at least 15 minutes before a vessel enters or begins to navigate in the VTS Area the master of the vessel shall report, or cause to be reported, the following information to the VTC:

- Name and type of the vessel.
- Position of the vessel.
- Estimated time of entering or beginning to navigate in the VTS area.
- Destination in the VTS Area.
- ETA of the vessel at its destination.

(f) Vessel speed in the VTS Area.

(g) Whether or not the vessel intends to use the TSS.

(h) If the vessel is a towing vessel, the overall length of the tow including the towing vessel.

(i) Whether or not any dangerous cargo listed in § 124.14 of this chapter is on board the vessel or its tow.

(j) Any impairment to the operation of the vessel as described in § 161.135(a) and (b).

8. By adding new § 161.129 to read:

§ 161.129 Local harbor report.

(a) When a vessel moves within a three mile radius of its point of departure in the VTS area, the movement is a local harbor movement. A vessel making a local harbor movement is exempted from the reporting requirements in §§ 161.128 and 161.131.

(b) At least 5 minutes, but not more than 45 minutes, before a vessel makes a local harbor movement under paragraph (a) of this section, the master shall report, or cause to be reported, the following information to the VTC:

- Name and type of vessel.
- Position of departure.
- Time of departure.
- Destination and ETA.
- General description of operation to be performed.

(c) The master shall report, or cause to be reported, any changes from the information reported under paragraph (b) of this section, except that departing or ETA times must be reported only if they vary by 15 minutes or more from the report.

§ 161.130 [Deleted]

9. By deleting § 161.130.

§ 161.136 [Amended]

10. By striking the references "§ 161.130" in § 161.136(a).

11. By revising § 161.131 to read:

§ 161.131 Final report.

(a) Whenever a vessel anchors, moors in, or departs from the VTS Area the master shall report, or cause to be reported, the place and time of anchoring, mooring, or departing, to the VTC.

(b) The report required in paragraph (a) of this section may be made up to 60 minutes before anchoring, mooring, or departing the VTS area, if the vessel is not in and will not be in the TSS after making the report.

(c) If the report in paragraph (b) of this section is made, the master shall report, or cause to be reported, the revised estimated time of action immediately if it varies by 15 minutes or more from the report.

12. By revising § 161.133 to read:

§ 161.133 Radio failure.

Whenever a vessel's radiotelephone equipment fails—

(a) Before entering or while underway in the VTS area—

(1) Compliance with §§ 161.120 and 161.142 is not required; and

(2) Compliance with §§ 161.128 and 161.131 is not required unless the reports can be made by other means;

(b) Before getting underway in the VTS area permission to get underway must be obtained from the VTC; and

(c) The master shall restore the radio-telephone to operating condition as soon as possible.

13. By revising § 161.142 to read:

§ 161.142 Movement reports.

(a) The master of a vessel shall report, or cause to be reported, the following information to the VTC by radiotelephone:

(1) Any increase or decrease in speed of more than one knot.

(2) The intent to cross through the TSS at least 10 minutes before beginning to cross the TSS.

(3) When the vessel clears the TSS after crossing.

(b) When directed by the VTC, and when the vessel passes a reporting point listed in § 161.189, the master of a vessel shall report, or cause to be reported, the following information to the VTC by radiotelephone:

(1) The name of the vessel.

(2) The reporting point.

14. By revising § 161.189 to read:

§ 161.189 Reporting points.

The reporting points are—

(a) When North of New Dungeness Light—Buoy R at latitude 48°16'26" N., longitude 123°06'30" W.

(b) When Northeast of Colville Point—Buoy RB at latitude 48°26'24" N., longitude 122°45'12" W.

(c) When Northeast of Lawrence Point—Buoy C at latitude 48°40'34" N., longitude 122°42'44" W.

(d) When Abeam of Matia Island—Buoy CA at latitude 48°45'19" N., longitude 122°46'26" W.

(e) When West of West Point Light—Buoy SH at latitude 47°39'42" N., longitude 122°27'48" W.

(f) When Abeam of Robinson Point—Buoy TB at latitude 47°23'07" N., longitude 122°21'08" W.

(g) When Abeam of Browns Point—Buoy TC at latitude 47°19'30" N., longitude 122°27'19" W.

(h) The boundary of the TSS.

(Sec. 104, Pub. L. 92-340, 86 Stat. 424 (33 U.S.C. 1224); 49 CFR 1.46(n)(4)).

[FR Doc. 77-16368 Filed 6-8-77; 8:45 am]

Title 40—Protection of Environment

CHAPTER I—ENVIRONMENTAL PROTECTION AGENCY

SUBCHAPTER B—GRANTS

[FRL 742-7]

PART 35—STATE AND LOCAL ASSISTANCE

Water Pollution Control

AGENCY: Environmental Protection Agency.

ACTION: Final construction grant regulations.

SUMMARY: This document allocates one billion dollars to the States for the purpose of carrying out the requirements of Title II of the Federal Water

Pollution Control Act, as amended. Congress passed Public Law 95-26 on May 4, 1977, which provided that these funds be used for construction of municipal waste water treatment facilities.

EFFECTIVE DATE: June 3, 1977.

FOR FURTHER INFORMATION CONTACT:

Albert L. Peimoter, Municipal Construction Division, 401 M Street SW., E1139 (WH-547), Washington, D.C. 20460 (202-426-8902).

SUPPLEMENTARY INFORMATION: On May 4, 1977, Public Law 95-26, an Act "making supplemental appropriations for the fiscal year ending September 30, 1977, and for other purposes" became law. Chapter V of Title I reads, in part, "Construction Grants. For necessary expenses to carry out Title II of the Federal Water Pollution Control Act, as amended, other than sections 206, 208, and 209, \$1,000,000,000, to remain available until expended: *Provided*, That the funds shall be allotted in accordance with the table on page 16 of Senate Report Number 95-38, adjusted proportionally in accordance with the above appropriation: *Provided, further*, That the funds shall not be subject to the reallocation provisions of section 205(b) of the Federal Water Pollution Control Act, as amended, until three years from the date of enactment of this provision."

The table on page 16 in Senate Report Number 95-38 allocated \$4,538,700,000 to the States on the basis of the formula: 25 percent based on population, 50 percent based on the partial needs of the States, 25 percent based on total needs of the States—with the amounts adjusted so that no State receives less than one third of one percent of the total allocation. The amounts shown on that table were then adjusted proportionally to establish State allotments in accordance with the one billion dollar appropriation.

This amendment shall be effective immediately, in order to accomplish prompt utilization of the funds, consistent with the legislative purpose and intent.

Dated: June 3, 1977.

DOUGLAS M. COSTLE,
Administrator.

§ 35.910-7 Fiscal Year 1977 Supplemental Appropriations Act allotments.

(a) Effective immediately, \$1,000,000,000, appropriated under Public Law 95-26, 91 Stat. 61, is available for obligation as provided for under Title I, Chapter V of that Act. Accordingly, the allotments are to be used to carry out Title II of the Federal Water Pollution Control Act as amended, excluding sections 206, 208, and 209, are to remain available until expended and are to remain available for obligation through May 3, 1980, after which date unobligated balances remaining in State allotments will be subject to reallocation as

provided for in Section 205(b) of Public Law 92-500.

(b) The allotments, which are computed by proportionally adjusting the table on page 16 of Senate Report Number 95-38, are based on four factors:

(1) 25 percent on the estimated 1975 census population of the States;

(2) 50 percent on the partial needs of each State, that is on the cost of needed facilities in categories I, II, and IVB (secondary treatment, more stringent treatment required to meet water quality standards and interceptor sewers and pumping stations)—as shown in Table IV of the May 6, 1975 EPA report, "Cost Estimates for Construction of Publicly Owned Wastewater Treatment Facilities—1974 Needs Survey";

(3) 25 percent on the full needs of each State, that is on the cost of needed facilities in categories I, II, IIIA, IIIB, IVA, IVB, and V (secondary treatment, more stringent treatment required to meet water quality standards, infiltration and inflow correction, major sewer system rehabilitation, collector sewers, interceptor sewers and pumping stations, and treatment of combined sewer overflows)—as shown in Table V of the EPA report noted in (2) above; and,

(4) An allotment adjustment to insure that no State receives less than the one third of one percent of the total amount allocated.

(c) Based on paragraph (b) of this section, the total additional sums hereby allotted to the States are as follows:

Alabama	10,906,000
Alaska	4,759,000
Arizona	6,346,000
Arkansas	10,807,000
California	82,391,000
Colorado	8,031,000
Connecticut	12,196,000
Delaware	3,966,000
District of Columbia	3,966,000
Florida	35,792,000
Georgia	19,929,000
Hawaii	6,940,000
Idaho	4,065,000
Illinois	52,151,000
Indiana	21,713,000
Iowa	11,006,000
Kansas	12,196,000
Kentucky	14,971,000
Louisiana	12,493,000
Maine	5,453,000
Maryland	37,874,000
Massachusetts	27,682,000
Michigan	40,897,000
Minnesota	15,070,000
Mississippi	7,535,000
Missouri	19,830,000
Montana	3,272,000
Nebraska	6,147,000
Nevada	3,272,000
New Hampshire	6,743,000
New Jersey	47,591,000
New Mexico	3,272,000
New York	105,294,000
North Carolina	20,723,000
North Dakota	3,272,000
Ohio	55,522,000
Oklahoma	13,484,000
Oregon	8,328,000
Pennsylvania	46,698,000
Rhode Island	3,966,000
South Carolina	13,088,000
South Dakota	3,272,000
Tennessee	14,872,000
Texas	43,030,000

Utah	5,057,000
Vermont	3,272,000
Virginia	22,011,000
Washington	15,368,000
West Virginia	21,614,000
Wisconsin	19,929,000
Wyoming	3,272,000
Guam	992,000
Puerto Rico	8,923,000
Virgin Islands	496,000
American Samoa	298,000
Trust Territory of Pacific Islands	1,883,000
Total	1,000,000,000

[FR Doc.77-16251 Filed 6-8-77; 8:45 am]

Title 42—Public Health

**CHAPTER I—PUBLIC HEALTH SERVICE,
DEPARTMENT OF HEALTH, EDUCATION,
AND WELFARE**

**PART 66—NATIONAL RESEARCH
SERVICE AWARDS**

**Amendment To Permit Undergraduate
Training**

AGENCY: Department of Health, Education, and Welfare, Public Health Service.

ACTION: Final rule technical amendment.

SUMMARY: This rule redefines the term "predoctoral training" in the National Research Service Award regulations. This revision encompasses undergraduate research training and is necessary in order to make the regulations comply with the express intent of Congress.

EFFECTIVE DATE: June 9, 1977.

FOR FURTHER INFORMATION CONTACT:

Elward Bynum, Program Director, Minority Access to Research Careers Program, NIGMS, NIH, Bethesda, Maryland 20014 (301-496-7357).

SUPPLEMENTARY INFORMATION: Section 472 of the Public Health Service Act authorizes the Secretary of Health, Education, and Welfare to make: (1) National Research Service Awards directly to individuals for biomedical and behavioral research and predoctoral and postdoctoral training to engage in such research, and (2) grants to institutions to enable them to make National Research Service Awards to individuals for such research and training. This legislation was implemented by regulations published in the FEDERAL REGISTER on May 2, 1975 (40 FR 19314), and codified in 42 CFR Part 66.

Section 66.102 of these regulations defines "predoctoral training" to mean "training at the post-baccalaureate level in a program leading to the award of doctor of philosophy or science, or equivalent degree." However, in appropriating funds for the National Institute of General Medical Sciences (NIGMS), as part of the HEW Appropriations Act for fiscal year 1977 (Pub. L. 94-439), Congress indicated that a portion of the funds earmarked for research training should be used for undergraduate training un-

der NIGMS' Minority Access to Research Careers (MARC) Program (Senate Report No. 94-997, at page 57). In order to accomplish this, it is necessary to redefine the term "predoctoral training" in the regulations to encompass undergraduate training.

The amendment to § 66.102 of the regulations set forth below is intended to accomplish this purpose.

In view of the amendment's limited scope, and the need to publicize the new category of eligibility, receive and evaluate applications, and make awards before the end of the fiscal year, the Department has determined that notice and public procedure with respect to this amendment are impracticable and unnecessary and that good cause exists for making the amendment effective upon publication.

NOTE.—The Department of Health, Education, and Welfare has determined that this document does not contain a major proposal requiring preparation of an Inflation Impact Statement under Executive Order 11821 and OMB Circular A-107.

Dated: May 9, 1977.

JAMES F. DICKSON,
Acting Assistant Secretary
for Health.

Approved: May 27, 1977.

JOSEPH A. CALIFANO, JR.,
Secretary.

Accordingly, § 66.102 of Part 66 of Title 42 of the Code of Federal Regulations is amended by revising paragraph (j) to read as follows:

§ 66.102 Definitions.

(j) "Predoctoral training" means training at the post-baccalaureate level in a program leading to the award of a doctor of philosophy or science, or equivalent degree; except that for purposes of Awards under the Minority Access to Research Careers program of the National Institute of General Medical Sciences "predoctoral training" also means training in a program leading to the award of a baccalaureate degree in science or equivalent degree.

[FR Doc.77-16250 Filed 6-8-77;8:45 am]

Title 46—Shipping

CHAPTER I—COAST GUARD,
DEPARTMENT OF TRANSPORTATION

[CGD 72-149R]

PART 187—LICENSING

Physical Examination for Original
Licenses—Correction

AGENCY: Coast Guard, DOT.

ACTION: Final rule.

SUMMARY: In the March 5, 1973, issue of the FEDERAL REGISTER (38 FR 5860), the Coast Guard amended the visual acuity requirements for an original license. The regulations concerning an applicant wearing glasses were revised at that time,

but the previous regulations were not deleted. This document amends the codified regulations by deleting the previous regulations concerning an applicant wearing glasses.

EFFECTIVE DATE: July 11, 1977.

FOR FURTHER INFORMATION CONTACT:

Captain George K. Greiner, Marine Safety Council (G-CMC/81), Room 8117, Department of Transportation, Nassif Building, 400 Seventh Street SW., Washington, D.C. 20590 (202-426-1477).

SUPPLEMENTARY INFORMATION: Since this document merely corrects a previously issued regulation, notice and public procedure under 5 U.S.C. 553 are unnecessary and under 5 U.S.C. 553(d), the amendment may be made effective in less than thirty days.

DRAFTING INFORMATION: The principal persons involved in drafting this rule are: Lieutenant Commander James Norman, Office of Merchant Marine Safety, Project Manager, and Lieutenant Edward J. Gill, Jr., Office of the Chief Counsel, Project Attorney.

Accordingly, Part 187 of Title 46 of the Code of Federal Regulations is amended by deleting the second sentence of § 187.10-15(c).

(R.S. 4405, as amended, R.S. 4402, R.S. 4438, as amended; sec. 3, 70 Stat. 152; sec. 6(b) (1), 80 Stat. 937; 46 U.S.C. 375, 416, 224, 390(b); 49 U.S.C. 1655(b) (1); 49 CFR 1.49(b).)

Dated: June 6, 1977.

E. L. PERRY,
Vice Admiral, U.S. Coast Guard,
Acting Commandant.

[FR Doc.77-16369 Filed 6-8-77;8:45 am]

Title 47—Telecommunication

CHAPTER I—FEDERAL
COMMUNICATIONS COMMISSION

PART 73—RADIO BROADCAST SERVICES

PART 74—EXPERIMENTAL, AUXILIARY,
AND SPECIAL BROADCAST, AND OTHER
PROGRAM DISTRIBUTIONAL SERVICES

Correction of the Contact Address Concerning
the Protection of the Table
Mountain Receiving Zone

AGENCY: Federal Communications Commission.

ACTION: Correction.

SUMMARY: Correction of telephone numbers contained in Order, Mimeo No. 69301, 42 FR 22558, published May 4, 1977, concerning Radio Frequency Management Coordinator, Table Mountain Receiving Zone.

EFFECTIVE DATE: April 26, 1977.

ADDRESS: Federal Communications Commission, Washington, D.C. 20554

FOR FURTHER INFORMATION CONTACT:

John W. Reiser, Broadcast Bureau,
202-632-9660

SUPPLEMENTARY INFORMATION:

In the matter of amendments of Parts 73 and 74 of the Commission's Rules and Regulations to correct the contact address concerning the protection of the Table Mountain Receiving Zone.

Released: June 3, 1977.

In an Order adopted by the Commission on April 11, 1977, Mimeo No. 69301, 42 FR 22558, published on May 4, 1977, changes were made in the mailing address and telephone number shown in the Rules and Regulations for contacting the Department of Commerce concerning protection of the Table Mountain Receiving Zone from radio frequency interference from proposed installation of certain transmitting stations. The telephone extension numbers given in that Order were inadvertently transposed. The correct address and telephone number is as follows:

Radio Frequency Management Coordinator
Department of Commerce
Research Support Services, NOAA/R5X3
Boulder Laboratories
Boulder, Colorado 80302
Telephone (303) 499-1000, Extension 6548 or 6549

FEDERAL COMMUNICATIONS
COMMISSION,
R. D. LICHTWARDT,
Executive Director.

[FR Doc.77-16305 Filed 6-8-77;8:45 am]

[Docket No. 20687; FCC 77-351]

PART 87—AVIATION SERVICES

Providing for the Assignment of Frequencies to the Band 129.3 to 130.7 MHz To Serve Other Than Air Carrier Operations

AGENCY: Federal Communications Commission.

ACTION: Report and Order.

SUMMARY: Amendment of Part 87 of the Commission's rules to provide aeronautical VHF frequencies to individuals and organizations in Alaska such as prospectors and lumber companies who need to communicate with aircraft.

This is in response to requests by these applicants for VHF communications. This rulemaking will allow private aircraft to have a more reliable form of communication.

EFFECTIVE DATE: July 11, 1977.

ADDRESSES: Federal Communications Commission, Washington, D.C. 20554

FOR FURTHER INFORMATION CONTACT:

John Hays, Aviation and Marine Division, Safety and Special Radio Services Bureau (202) 632-7197.

SUPPLEMENTARY INFORMATION:

In the matter of amendment of Part 87 of the Commission's rules to provide for the assignment of frequencies in the band 129.3 to 130.7 MHz to serve other

than air carrier operations. (Report and Order; Proceeding Terminated)

Adopted: May 25, 1977.

Released: June 8, 1977.

By the Commission:

1. A Notice of Proposed Rule Making in the above-captioned matter was released on January 28, 1976, and was published in the *FEDERAL REGISTER* on February 2, 1976, (41 FR 4833). The time for filing comments and reply comments was extended by order released on March 4, 1976, but has now expired. The following interested parties filed comments:

Aeronautical Radio, Inc.
Alaska Air Carriers Association
Alaska Aviation Radio, Inc.
American Petroleum Institute
Ketchikan Air Services, Inc.
Ketchikan Radio Club
Webber Airlines, Inc.

2. This rule making will make available four VHF aeronautical enroute frequencies to various individuals and organizations in Alaska such as prospectors and lumber companies for air/ground communications. Under present Commission rules only certain high frequencies are available for this purpose to these applicants; however, problems have developed with their use. Atmospheric conditions in Alaska at various times have rendered these frequencies unusable or unsafe because of interference from ionospheric disturbances and the reception of distant stations.

3. In its Notice of Proposed Rule Making, the Commission selected frequencies 129.3, 130.1, 130.3 and 130.7 MHz for assignment to the types of applicants being considered in this rule making. These frequencies are among ten VHF aeronautical enroute frequencies currently available for assignment to stations in Alaska only when serving scheduled air carriers. For the reasons set forth in this Report and Order, the Commission has modified the proposed rule making including the frequencies to be assigned.

4. Of those interested parties filing comments in this proceeding, the Alaska Air Carriers Association, the American Petroleum Institute, Ketchikan Air Services, Inc., and Webber Airlines, Inc., supported the proposal in its entirety.

5. Aeronautical Radio, Inc. (ARINC), and the Ketchikan Radio Club (KRC) objected to the reallocation of four of the ten VHF aeronautical enroute frequencies which are presently available for assignment to aeronautical enroute stations in Alaska only when serving scheduled air carriers. ARINC, who provides international aeronautical enroute service in Alaska, operates on one of the four frequencies, 129.3 MHz, and envisions a continued growing need for the international enroute service in the future. KRC believes that four additional frequencies should be made available for the proposed use to avoid any congestion on the presently assigned VHF aeronautical enroute frequencies in Alaska. In addition, KRC suggests that communications between two or more ground stations should be limited to communications directly affecting aircraft with which they are engaged.

6. Alaska Aviation Radio, Inc. (AARI), also objects to the proposed reallocation of the four aeronautical enroute frequencies. AARI questions the need for this reallocation to general aviation since channels are available to private aircraft in the band 121.975-123.075 MHz, and coordinated enroute service can be obtained by private aircraft operators from AARI. Furthermore, AARI states there is no indication that the aeronautical advisory or the multicom services are inadequate to meet the needs of general aviation in Alaska. It suggests that the multicom service would be the appropriate service for the itinerant operations of prospectors, lumber companies, etc. However, if a need is demonstrated for the use of VHF aeronautical enroute frequencies by prospectors, lumber companies and other general aviation interests, AARI recommends that frequencies 131.5, 131.6, 131.8 and 131.9 MHz be assigned to them instead of the frequencies set forth in the Notice of Proposed Rule Making.

7. In view of the organizations which filed comments supporting this proposed rule making and the applicants from Alaska such as prospectors and lumber companies who in past years have tried to obtain VHF frequencies, it is clear that a need does exist for the assignment of VHF aeronautical enroute frequencies to serve other than air carrier operations in Alaska. A similar need for high frequencies was recognized in Docket No. 11078, when the Commission, after comment by interested parties, set aside two high frequencies as general purpose air/ground frequencies. These were made "available to any aeronautical interest (e.g. trading posts, remote mining camps) without regard to the Commission's policy of authorizing only one aeronautical enroute station to serve an area." As indicated above the high frequencies have become inadequate in many instances and VHF is now needed to serve these interests.

8. Moreover, it is evident that existing aeronautical enroute stations such as those licensed to AARI cannot provide adequate VHF coverage to these general aviation interests. Under Commission rules, VHF is available to aeronautical enroute stations only when serving scheduled air carriers and can provide communications only along the routes served by the scheduled operations of such carriers. Considering the short range of VHF, the stations must be located near these air carrier routes. Consequently, the remote areas of Alaska which are not close to any scheduled air carrier route will not receive VHF coverage from such stations.

9. Furthermore, the problem cannot be solved by the assignment of frequencies in either the multicom service or the aeronautical advisory service. The multicom service provides communications for activities of a temporary, seasonal or emergency nature; it was not intended to serve activities which are of a continuing or permanent nature such as those involved in running a trading post or lumber company. The aeronautical advisory service provides communi-

cations for the safe and expeditious operation of private aircraft at landing areas. The aeronautical advisory stations involved are required to provide information to the aviation public upon request; they are not intended to provide supporting radiocommunications for the in-flight operations of the station licensee or those associated with him.

10. The proper service to provide general purpose VHF air/ground radiocommunication to aeronautical interests such as prospectors and lumber companies is the aeronautical enroute service. This service was intended to provide aeronautical interests with air/ground radiocommunications necessary to carry on their operations. It presently provides high frequency radiocommunication to aeronautical interests other than those serving scheduled air carriers and is the logical choice to provide them with the same type of communication in the VHF band. Accordingly, the Commission intends to allocate aeronautical enroute VHF for use by individuals and organizations other than those serving scheduled air carriers for air/ground communications. However, after considering the comments of AARI, ARINC and KRC who object to the reallocation of four of the ten VHF aeronautical enroute frequencies available only to stations serving scheduled air carriers, the Commission has accepted the recommendation of AARI and is making available frequencies 131.5, 131.6, 131.8 and 131.9 MHz instead of frequencies 129.3, 130.1, 130.3 and 130.7 MHz for purposes of this rule making.

11. In its comments, AARI contends that the availability of aeronautical enroute VHF to aviation interests not required to serve scheduled air carriers will weaken the aeronautical advisory service since applicants will prefer to operate in the aeronautical enroute service, which is less restricted by Commission rules, rather than in the aeronautical advisory service. The Commission does not see any merit in this argument. In its rules and the orders prescribing them, the Commission has set forth adequate guidelines defining the scope of each of these services. When applying for a station license, applicants are required to submit information which is sufficient for the Commission to determine whether they are applying in the appropriate service. If problems develop in this regard, additional information can be requested and appropriate action can be taken.

12. The Commission has also accepted the recommendation of KRC and has modified the rules to limit communication between two or more stations to matters directly affecting the aircraft with which they are engaged. This should prevent superfluous ground to ground communications. Additionally, we have modified Section 87.297(a) to prevent the transmission of possible conflicting safety information.

13. In its comments, AARI suggested that the Commission in this rule making consider utilizing additional 100 kHz channel spacing in the aeronautical en-

route service in Alaska to provide additional frequencies. Such an undertaking is beyond the scope of this rule making which is limited to the assignment of VHF frequencies to aeronautical interests other than those serving scheduled air carriers. We will consider this in a separate proceeding.

14. Accordingly, it is ordered, That Part 87 of the rules is amended as indicated below, effective July 11, 1977. Authority for the promulgation of these rules is contained in Sections 4(i), 303(c) and (r) of the Communications Act of 1934, as amended.

15. It is further ordered, That this proceeding is terminated.

(Secs. 4, 303, 48 Stat., as amended, 1066, 1082; 47 U.S.C. 154, 303.)

FEDERAL COMMUNICATIONS
COMMISSION,
VINCENT J. MULLINS,
Secretary.

Part 87 of Chapter I of Title 47 of the Code of Federal Regulations is amended as follows:

1. In § 87.297, paragraph (a) is amended to read as follows:

§ 87.297 Alaska.

(a) The following frequencies are available for assignment to aeronautical enroute stations in Alaska. The provisions of § 87.291(b) do not apply to stations operating on frequencies in accordance with this paragraph. Communications between two or more of these stations shall be limited to matters directly affecting the aircraft with which they are engaged. If these stations are located at an uncontrolled landing area where there is an aeronautical advisory station, the enroute station shall not transmit information pertaining to the conditions of runways, wind conditions or weather information during the hours of operation of the aeronautical advisory station.

Frequencies available:

Kilohertz:	Megahertz
3411	131.5
4383.8 ¹	131.6
4688	131.8
4990 ²	131.9

¹ The frequency 4383.8 kHz, maximum power 150 watts PEP, may be used by any station authorized under this part to communicate with any other station authorized in the State of Alaska for emergency communications. No airborne operations will be permitted on this frequency.

² Daytime only.

[FR Doc. 77-16303 Filed 6-8-77; 8:45 am]

[RM-2877; FCC 77-352]

PART 97—AMATEUR RADIO SERVICE

Lowering the Minimum Age for Volunteer Examiners From 21 to 18

AGENCY: Federal Communications Commission.

ACTION: Final rule.

SUMMARY: In response to a petition submitted by a member of the public, we are lowering the minimum age for a volunteer examiner in the Amateur Radio Service from 21 to 18. This action will result in a larger number of qualified volunteer amateur examiners.

EFFECTIVE DATE: June 13, 1977.

ADDRESS: Federal Communications Commission, Washington, D.C. 20554.

FOR FURTHER INFORMATION CONTACT:

Mr. Gregory M. Jones, Personal Radio Division, 202-632-7175.

SUPPLEMENTARY INFORMATION:

In the matter of amendment of Part 97 of the Commission's Rules lowering the minimum age for volunteer amateur examiners from 21 to 18.

Adopted: May 25, 1977.

Released: June 8, 1977.

By the Commission:

1. The Commission has before it Petition for Rulemaking RM-2877, submitted by Mr. Gordon H. Piper, licensee of Amateur Radio Service station WB4EKC. Public Notice of the filing of Mr. Piper's Petition was given April 18, 1977, pursuant to Section 1.403 of the Commission's Rules.

2. In his Petition for Rulemaking, Mr. Piper requests that § 97.28(b) of the Rules be amended to permit administration of Novice Class amateur radio examinations by qualified volunteer examiners 18 years of age and older. Under existing § 97.28(b) of the Rules, volunteer examiners administering Novice Class operator examinations must hold General, Advanced, or Amateur Extra Class operator licenses and be at least 21 years of age.

3. Mr. Piper states in support of his Petition that citizens aged 18 and above may now vote in national elections and may exercise all rights of adulthood in many states of the United States. He also states that many of those interested in obtaining Novice operator licenses attend colleges and universities, where qualified volunteer examiners aged 21 or above are difficult to find, and that there is no evidence suggesting amateur operators aged 18, 19, and 20 are any less honest or capable of competently administering Novice Class operator examinations. For these reasons, Mr. Piper requests that the minimum age for a volunteer examiner in the Amateur Service be lowered from 21 to 18.

4. The Commission believes there to be great merit in Mr. Piper's proposal, and we are by this Order amending § 97.28(b) to permit qualified volunteer examiners aged 18 and above to administer Novice Class operator examinations. We are aware of no valid reason why amateur operators aged 18 and over holding General, Advanced or Amateur Extra Class licenses should not be permitted to administer Novice Class examinations: such individuals have, after all, been

shown by Commission examination to be qualified amateur operators. For this reason, and because individuals aged 18 and above are accorded full rights of adulthood in many jurisdictions, we are adopting the proposal contained in RM-2877.

5. Authority for this amendment appears in Sections 4(i) and 303 of the Communications Act of 1934, as amended. Because the manner in which examinations are conducted in the Amateur Radio Service is a matter of agency procedure, the prior notice and public procedure provisions of the Administrative Procedure Act, 5 U.S.C. § 533, are not applicable.

6. Accordingly, it is ordered, That Part 97 of the Commission's Rules is amended as set forth below, effective June 13, 1977, it is further ordered, That this proceeding is terminated.

(Secs. 4, 303, 48 Stat., as amended, 1066, 1082; 47 U.S.C. 154, 303.)

FEDERAL COMMUNICATIONS
COMMISSION,
VINCENT J. MULLINS,
Secretary.

Part 97 of Chapter 1 of Title 47 of the Code of Federal Regulations is amended, as follows:

1. § 97.28(b) is amended to read, as follows:

§ 97.28 Manner of conducting examinations.

(b) The examination for a Novice Class operator license shall be conducted and supervised by a volunteer examiner selected by the applicant, unless otherwise prescribed by the Commission. The volunteer examiner shall be at least 18 years of age, shall be unrelated to the applicant, and shall be the holder of an Amateur Extra, Advanced, or General Class operator license. The written portion of the Novice Class operator examination shall be obtained, administered, and submitted in accordance with the following procedure: * * *

[FR Doc. 77-16304 Filed 6-8-77; 8:45 am]

Title 50—Wildlife and Fisheries

CHAPTER VI—FISHERY CONSERVATION AND MANAGEMENT, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, DEPARTMENT OF COMMERCE

PART 661—SALMON FISHERY

Emergency Regulations Repromulgated

AGENCY: National Oceanic and Atmospheric Administration/Commerce.

ACTION: Emergency regulations.

SUMMARY: This rule extends the emergency regulation of the commercial and recreational salmon fisheries off the coasts of Washington, Oregon and California for an additional 45-days from June 10, 1977 to July 24, 1977 inclusive. The emergency described in the initial FEDERAL REGISTER publication (42 FR

21412) on April 26, 1977 continues to exist.

EFFECTIVE DATE: June 10, 1977.

FOR FURTHER INFORMATION CONTACT:

Mr. Donald R. Johnson, Northwest Regional Director, National Marine Fisheries Service, Seattle, Washington 98109, 206-442-7575.

SUPPLEMENTARY INFORMATION: On April 26, 1977, the Director, National Marine Fisheries Service published emergency regulations in the *FEDERAL REGISTER* (42 FR 21412) to implement the fishery management plan concerning the commercial and recreational salmon fisheries off the coasts of Washington, Oregon and California prepared by the Pacific Fishery Management Council. The Secretary has determined that the current regulations should be continued for an additional 45-days as authorized by Section 305(e) (2) of the Fishery Conservation and Management Act of 1976.

Therefore, the emergency regulations adopted on April 26, 1977 are continued in effect for 45-days from 0001 a.m., June 10, 1977 to July 24, 1977 inclusive unless sooner amended or terminated by appropriate public notice.

Dated this 6th day of June, 1977, at Washington, D.C.

JACK W. GEHRINGER,
Deputy Director, National
Marine Fisheries Service.

[FR Doc.77-16454 Filed 6-8-77; 8:45 am]

Title 20—Employees' Benefits

CHAPTER II—RAILROAD RETIREMENT BOARD

PART 337—RATE OF RAILROAD UNEMPLOYMENT

AGENCY: Railroad Retirement Board.
ACTION: Final rule.

SUMMARY: Sections 2(c) and 2(h) of the Railroad Unemployment Insurance Act (45 U.S.C. 352(c) and 352(h)) provide extended unemployment benefits for qualified employees with less than 10 years of railroad service who have exhausted their rights to normal unemployment benefits in a particular benefit year and who are unemployed during a period of "high unemployment" in the railroad industry. Subdivisions (2) and (3) of section 2(h) provide the method for determining when a period of "high unemployment" is in existence. These subdivisions require certain adjustments in the formula utilized for this purpose, namely, the midmonth count of employees of class I railroads and class I switching and terminal companies reported to the Interstate Commerce Commission must be adjusted to include all employees covered by the Act and seasonal adjustments must be made in the rate of railroad unemployment. The Board is directed to determine the method by which these adjustments are to be made and is further directed, by subdivision (4) of section 2(h), to promulgate regula-

tions providing the formulas for making the determinations in question and to cause such formulas to be published in the *FEDERAL REGISTER*.

EFFECTIVE DATE: May 25, 1977.

FOR FURTHER INFORMATION CONTACT:

R. F. Butler, Secretary, Railroad Retirement Board, 844 Rush Street, Chicago, Illinois 60611, 312-751-4920.

A new Part 337 is added to the Board's regulations under the Railroad Unemployment Insurance Act (20 CFR Parts 300-370) as follows:

Sec.

337.1 Statutory provisions.

337.2 Rate of railroad unemployment.

337.3 Adjustment of the midmonth count employees to include all covered employees.

337.4 Seasonal adjustments in the rate of railroad unemployment.

AUTHORITY: 45 U.S.C. 352(c), 352(h), and 367, 52 Stat. 307.

§ 337.1 Statutory provisions.

(a) Section 2(c) of the Railroad Unemployment Insurance Act provides, in part, that:

*** with respect to an employee who has less than ten years of service as defined in section 1(f) of the Railroad Retirement Act of 1974, who did not voluntarily retire and did not voluntarily leave work without good cause, and who had current rights to normal benefits for days of unemployment in a benefit year but has exhausted such rights, the maximum number of days of, and amount of payment for, unemployment within such benefit year (as extended by the provisions of paragraph (h) of this section) for which benefits may be paid shall be enlarged, but not by more than sixty-five days, to include all compensable days of unemployment within an extended benefit period determined pursuant to the provisions of paragraph (h) of this section, but the total amount of benefits which may be paid to an employee for days of unemployment within such extended benefit period shall in no case exceed 50 per centum of the employee's compensation in the base year ***.

(b) Section 2(h) of the Act provides, in part, that:

(1) For purposes of the second proviso of paragraph (c) of this section, an extended benefit period, with respect to an employee, shall begin on the first day of unemployment within a period of high unemployment following the day on which the employee exhausted his then current rights to normal benefits for unemployment and shall continue for seven successive fourteen-day periods (each of which periods shall constitute a registration period). ***.

(2) For purposes of subdivision (1) of this paragraph, a "period of high unemployment" shall begin with the twentieth day after whichever of the following first occurs: (i) there is a national "on" indicator as defined in section 203(d) of Public Law 91-373, as amended, or (ii) a period of three consecutive calendar months in which, for each month included in such period, the rate of railroad unemployment (seasonally adjusted) equalled or exceeded the lowest

applicable unemployment rate specified for the national "on" indicator in section 203(d) of Public Law 91-373, as amended, and shall end with the twentieth day after both of the following occur: (A) there is a national "off" indicator as defined in section 203(d) of Public Law 91-373, as amended, and (B) a period of three consecutive calendar months, in which, for each month included in such period, the rate of railroad unemployment (seasonally adjusted) was less than the lowest applicable unemployment rate specified for the national "off" indicator in section 203(d) of Public Law 91-373, as amended.

(3) For purposes of subdivision (2) of this paragraph, the term "rate of railroad unemployment" for a month means the percentage arrived at by dividing (i) the average weekly number of individuals who filed bona fide claims for benefits for days of unemployment in such month, excluding from such number those individuals whose unemployment was due to a stoppage of work because of a strike, lockout, or other labor dispute, by (ii) the average midmonth count of employees of class I railroads and class I switching and terminal companies, as reported to the Interstate Commerce Commission, adjusted, as determined by the Board, to include all employees covered by this Act for the twelve months ending with the second calendar quarter preceding such month.

(4) Determinations under this subsection shall be made by the Board in accordance with regulations prescribed by it. When a determination has been made that a "period of high unemployment" is beginning or ending, the Board shall cause notice of such determination to be published in the *FEDERAL REGISTER*. The Board shall also cause to be published in the *FEDERAL REGISTER* the formula which it uses to adjust the midmonth count of employees of class I railroads and class I switching and terminal companies to include all employees covered by this Act, and the formula it uses to make seasonal adjustments in the rate of railroad unemployment.

§ 337.2 Rate of railroad unemployment.

For purposes of making the monthly determinations required by section 2(h) of the Act, the "rate of railroad unemployment" for a particular calendar month will be the ratio of:

(a) The seasonally adjusted weekly average of unemployment beneficiaries for all weeks containing 4 or more days in such month, excluding those beneficiaries whose unemployment was due to a stoppage of work because of a strike, lockout, or other labor dispute, to:

(b) The average midmonth count of employees covered by the Act in the 12 months ending with the second calendar quarter preceding such month (interpreted as the first 4 of the last 6 calendar quarters preceding such month). The "rate of railroad unemployment" for any month, seasonally adjusted, will be computed to four decimal places and not otherwise rounded.

§ 337.3 Adjustment of the midmonth count of employees to include all covered employees.

In order to include in the rate of railroad unemployment all employees cov-

$A_1 = a \cdot b \cdot A_2$

where:

A_1 —Midmonth count of employees of other than class I railroads.

a —Continuity rate for other than class I railroads

b —Continuity rate for class I railroads

A_2 —Total employment of other than class I railroads

A —Total employment of class I railroads

A_1 —Midmonth count of employees of class I railroads.

Factor a and factor b shall be derived from the latest available annual figures. Continuity rates are defined as the yearly average of the ratios derived by dividing (a) the number of employees working in a given month who also worked in the next succeeding month by (b) the total number who worked in the first of the 2 months. A_1 is available on a current basis from the Interstate Commerce Commission.

§ 337.4 Seasonal adjustments in the rate of railroad unemployment.

The seasonal adjustment factor for a given month is the latest applicable factor prepared by the Bureau of Research, United States Railroad Retirement Board, using the X-11 variant of the Census Method II Seasonal Adjustment Program developed by the Department of Commerce, Bureau of the Census, and described in their Technical Paper No. 15 dated February 1967. Counts of all beneficiaries will be seasonally adjusted with the temporary exception of beneficiaries with less than 10 years of service receiving extended benefits; counts of such beneficiaries will not be seasonally adjusted until more data is available.

Dated: June 2, 1977.

By authority of the Board.

R. F. BUTLER,
Secretary of the Board.

[FR Doc. 77-16342 Filed 6-8-77; 8:45 am]

Title 7—Agriculture

CHAPTER IX—AGRICULTURAL MARKETING SERVICE (MARKETING AGREEMENTS AND ORDERS; FRUITS, VEGETABLES, NUTS), DEPARTMENT OF AGRICULTURE

[Valencia Orange Reg. 559]

PART 908—VALENCIA ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

Limitation of Handling

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final Rule.

SUMMARY: This regulation establishes the quantity of California-Arizona Valencia oranges that may be shipped to fresh market during the weekly regulation period June 10-16, 1977. This regulation is needed to provide for orderly marketing of fresh Valencia oranges for the regulation period because of the production and marketing situation confronting the orange industry.

EFFECTIVE DATE: June 10, 1977.

FOR FURTHER INFORMATION CONTACT:

ered by the Act, the midmonth count of class I linehaul and class I switching and terminal railroads, as reported to the Interstate Commerce Commission, will be inflated by using the following formula:

Charles R. Brader, Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service, U.S. Department of Agriculture, Washington, D.C. 20250, 202-447-3545.

SUPPLEMENTARY INFORMATION:

(a) **Findings.** (1) Pursuant to the amended marketing agreement and Order No. 908, as amended (7 CFR Part 908), regulating the handling of Valencia oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendations and information submitted by the Valencia Orange Administrative Committee, established under the amended marketing agreement and order, and upon other available information, it is found that the limitation of handling of Valencia oranges, as provided in this regulation will tend to effectuate the declared policy of the act.

(2) The need for this regulation to limit the quantities of Valencia oranges that may be marketed from District 1, District 2, or District 3r that may be marketed from District 1, District 2, or District 3 during the specified week stems from the production and marketing situation confronting the Valencia orange industry.

(i) The committee has submitted its recommendation for the quantities of Valencia oranges that should be marketed during the specified week. The recommendation, designed to provide equity of marketing opportunity to handlers in all districts, resulted from consideration of the factors covered in the order. The committee further reports the fresh market demand for Valencia oranges has eased during the present week. Average f.o.b. price was \$3.94 per carton on 822 cars for the week ended June 2, as compared with \$3.95 per carton on 906 cars the previous week. Track and rolling supplies at 352 cars were down 129 cars from last week.

(ii) Having considered the recommendation and information submitted by the committee, and other available information, the Secretary finds that the quantities of Valencia oranges which may be handled should be established as provided in this regulation.

(3) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rulemaking procedure, and postpone the effective date of this regulation until 30 days after publication in the Federal Register (5 U.S.C. 553), because the time intervening between the date when information becomes available upon which this regulation is based and the time when this regulation must become effective in order to effectuate the declared policy of the act is insufficient. A reasonable time is permitted for preparation for such effective time; and good cause exists for making the regulation effective as specified. The committee held an open meeting during the current week, after giving due notice, to consider supply and market conditions for Valencia oranges and the need for regulation. Interested persons were afforded an opportunity to submit information and views at this meeting. The recommendation and supporting information for regulation during the period specified were promptly submitted to the Secretary after the meeting was held, and information concerning such provisions and effective time has been provided to handlers of Valencia oranges. It is necessary, to effectuate the declared policy of the act, to make this regulation effective during the period specified. The committee meeting was held on June 7, 1977.

§ 908.359 Valencia Orange Regulation 559.

(b) **Order.** (1) The quantities of Valencia oranges grown in Arizona and designated part of California which may be handled during the period June 10, 1977, through June 16, 1977, are hereby fixed as follows:

- (i) District 1: 287,000 cartons;
- (ii) District 2: 413,000 cartons;
- (iii) District 3: Unlimited.

(2) As used in this section, "handled", "District 1", "District 2", "District 3", and "carton" have the same meaning as when used in the amended marketing agreement and order.

(Secs. 1-10, 48 Stat. 31, as amended; 7 U.S.C. 601-674.)

Dated: June 8, 1977.

CHARLES R. BRADER,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[FR Doc. 77-16662 Filed 6-8-77; 11:36 am]

PART 918—FRESH PEACHES GROWN IN GEORGIA

Expenses and Rate of Assessment

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This regulation authorizes expenses of \$20,538.59 and establishes a rate of assessment of \$0.015 per bushel of peaches to support the activities of the Industry Committee for the 1977-78 fiscal period. The regulation will enable the committee to collect assessments

from first handlers on all assessable peaches handled and use the resulting funds for its expenses.

DATES: Effective for the period March 1, 1977, through February 28, 1978.

FOR FURTHER INFORMATION CONTACT:

Charles R. Brader, Deputy Director, Fruit and Vegetable Division Agricultural Marketing Service, U.S. Department of Agriculture, Washington, D.C. 20250, 202-447-3545.

SUPPLEMENTARY INFORMATION: On May 16, 1977, notice of proposed rule-making was published in the *FEDERAL REGISTER* (42 FR 24744) regarding proposed expenses and rate of assessment, under the marketing agreement, as amended, and Order No. 918, as amended (7 CFR Part 918) regulating the handling of fresh peaches grown in the State of Georgia. This notice allowed interested persons 15 days during which they could submit written comments pertaining to these proposals. None were submitted. This regulatory program is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674).

After consideration of all relevant matters presented, including the proposals set forth in the notice, which were submitted by the Industry Committee (established pursuant to the marketing agreement and order), it is hereby found and determined that:

§ 918.215 Expenses and rate of assessment.

(a) *Expenses.* Expenses that are reasonable and necessary to be incurred by the Industry Committee during the period March 1, 1977, through February 28, 1978, will amount to \$20,538.59.

(b) *Rate of assessment.* The rate of assessment for the fiscal period payable by each handler in accordance with § 918.41, is established at \$0.015 per bushel basket of peaches (48 pounds net weight), or an equivalent for peaches in other containers or in bulk.

It is hereby further found that good cause exists for not postponing the effective date until 30 days after publication in the *FEDERAL REGISTER* (5 U.S.C. 553) in that: (1) Shipments of the current crop of fresh peaches grown in Georgia have already begun; (2) provisions of the marketing agreement and this part require that the rate of assessment shall apply to all assessable fresh peaches handled during the fiscal period; and (3) the fiscal period began on March 1, 1977, and the rate of assessment will automatically apply to all fresh peaches handled during the period.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674.)

Dated: June 6, 1977.

CHARLES R. BRADER,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[FR Doc. 77-16284 Filed 6-8-77; 8:45 am]

Title 39—Postal Service

CHAPTER I—UNITED STATES POSTAL SERVICE

SUBCHAPTER B—INTERNATIONAL MAIL

PART 10—INTERNATIONAL POSTAL SERVICE

EDITORIAL NOTE.—The Director of the Federal Register has approved an extension of the incorporation by reference of the Postal Service Publication No. 42, International Mail, from July 1, 1977 until July 1, 1978, as provided in 39 CFR 10.4.

SUBCHAPTER C—POST OFFICE SERVICES (DOMESTIC MAIL)

PART 111—GENERAL INFORMATION ON POSTAL SERVICE

EDITORIAL NOTE.—The Director of the Federal Register has approved an extension of the incorporation by reference of Chapter I of the Postal Service Manual from July 1, 1977 until July 1, 1978, as provided in 39 CFR 111.4.

SUBCHAPTER H—PROCUREMENT SYSTEM FOR THE U.S. POSTAL SERVICE

PART 601—PROCUREMENT OF PROPERTY AND SERVICES

EDITORIAL NOTE.—The Director of the Federal Register has extended approval for an additional one-year period to expire on July 1, 1978, the incorporation by reference of the Postal Contracting Manual (PCM), Publication 41 as provided in 39 CFR 601.100.

proposed rules

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 921]

FRESH PEACHES GROWN IN DESIGNATED COUNTIES IN WASHINGTON

Notice of Proposed Handling Regulation

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Proposed Rule.

SUMMARY: This notice invites written comments on proposed requirements on shipments of fresh Washington peaches. These are that peaches shall grade Washington Extra Fancy Grade except that peaches meeting Washington Fancy Grade, may be shipped if packed in the western lug or the standard peach box. All varieties of peaches are required to meet minimum size requirements of 2 3/4 inches diameter except the Elberta varieties and peaches of any variety other than Elberta when packed in the standard peach box, may be shipped if they meet a minimum diameter of 2 1/4 inches. All peaches shall be well matured and have a reasonably uniform degree of firmness. Loose or jumble packs are permitted in containers of a capacity equal to or greater than that of a western lug box with a net weight of 26 pounds and in such containers of a lower net weight if the packages are well filled. These requirements are designed to provide consumers with acceptable quality peaches.

DATES: Comments must be received by June 20, 1977. Proposed effective dates: July 15, 1977, through July 31, 1978.

FOR FURTHER INFORMATION CONTACT:

Charles R. Brader, Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service, United States Department of Agriculture, (202) 447-3545.

SUPPLEMENTARY INFORMATION:

The proposal was submitted by the Washington Fresh Peach Marketing Committee, established under the marketing agreement and Order No. 921 (7 CFR Part 921) regulating the handling of fresh peaches grown in designated counties in Washington. This program is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674).

All persons who desire to submit written data, views, or arguments in connection with the proposal should file two copies of them with the Hearing Clerk, Room 1077, South Building, U.S. Department of Agriculture, Washington, D.C. 20250, not later than June 20, 1977. All written submissions made pursuant to this notice will be made available for pub-

lic inspection at the office of the Hearing Clerk during regular business hours (7 CFR 1.27(b)).

The recommendation of the Washington Fresh Peach Marketing Committee reflects its appraisal of the current and prospective crop and market conditions. Washington's 1977 commercial peach crop is estimated by the committee at 12,850 tons, compared with SRS reported utilized production in 1976 of 20,500 tons. The proposed regulation, hereinafter set forth is designed to prevent the handling on and after July 15, 1977, of lower quality and smaller size peaches and provides orderly marketing in the interest of producers and consumers, consistent with the objectives of the act.

Such proposal reads as follows:

§ 921.314 Peach Regulation 14.

Order. (a) Peach Regulation 13 (41 FR 29897) is hereby terminated July 15, 1977.

(b) During the period July 15, 1977, through July 31, 1978, no handler shall handle any lot of peaches unless such peaches meet the following applicable requirements, or are handled in accordance with subparagraph (6) of this paragraph.

(1) **Minimum grade.** Such peaches shall grade at least Washington Extra Fancy Grade: *Provided*, That peaches which grade Washington Fancy Grade or better may be handled if they are packed in the Western lug box or the standard peach box.

(2) **Minimum size.** (i) Such peaches of any variety, except peaches of the Elberta varieties when packed in any container except the standard peach box, shall measure not less than 2 3/4 inches in diameter;

(ii) Such peaches of any variety when packed in the standard peach box shall measure not less than 2 1/4 inches in diameter; and

(iii) Such peaches of the Elberta varieties, packed in any container shall measure not less than 2 1/4 inches in diameter.

(3) **Minimum maturity.** Such peaches shall be well matured, except that any lot of peaches shall be deemed to have met such minimum maturity requirement if not more than 25 percent, by count, of the peaches in such lot are mature but not well matured.

(4) **Uniform firmness.** Such peaches in individual containers shall have a reasonably uniform degree of firmness.

(5) **Pack.** (i) Such peaches in loose or jumble packs shall be in containers of a capacity equal to or greater than that of a western lug box and shall contain not less than 26 pounds net weight of peaches: *Provided*, That such containers of peaches having less than 26

pounds net weight may be handled if such containers are well filled, and

(ii) Such peaches other than peaches in loose or jumble packs in any containers shall meet the standard pack requirements as set forth in the Washington Standards for Peaches (Order No. 1212), or the U.S. Standards for Peaches (7 CFR 51.1210 et seq.).

(6) Notwithstanding any other provisions of this section, any individual shipment of peaches sold by the producer or at an established packinghouse which meets each of the following requirements may be handled without regard to the provisions of this paragraph, of § 921.41 (Assessments), and of § 921.55 (Inspection and Certification) if:

(i) The shipment consists of peaches sold for home use and not for resale; and

(ii) The shipment does not, in the aggregate, exceed 500 pounds, net weight, of peaches.

(c) The terms "Washington Extra Fancy Grade," "Washington Fancy Grade," and "mature" shall have the same meaning as when used in the Washington Standards for Peaches (effective October 18, 1971), issued by the State of Washington Department of Agriculture; the term "well matured" shall mean peaches which will yield very slightly to moderate pressure at the suture or blossom end, have shoulders and sutures that are well filled out, and have skin and flesh colored sufficiently that it will show characteristic varietal color when ripe; the term "loose or jumble pack" shall mean that the peaches are not placed in the container in rows, cups, compartments, or otherwise are not placed in the container in symmetrical order; the term "standard peach box" shall mean a container with inside dimensions of 4 1/4 to 6 by 11 1/2 by 16 inches; the term "Western lug box" shall mean any container with inside dimensions of 7 by 11 1/2 by 18 inches; the term "well filled" shall mean that the level of fruit is filled at least to the top edge of the container; the term "diameter" shall mean the greatest distance measured through the center of the peach at right angles to a line running from the stem to the blossom end; and terms used in the marketing agreement and order shall, when used herein, have the same meaning as is given to the respective term in the marketing agreement and order.

Dated: June 6, 1977.

CHARLES R. BRADER,
Deputy Director, Fruit and
Vegetable Division, Agricultural
Marketing Service.

[FR Doc.77-16361 Filed 6-8-77; 8:45 am]

FEDERAL ENERGY ADMINISTRATION

[10 CFR Part 212]

PROPOSED AMENDMENTS TO SUBPART K OF THE MANDATORY PETROLEUM PRICE REGULATIONS TO PROVIDE FOR RECOVERY OF INCREASED PROCESS- ING AND MARKETING COSTS BY SELLERS OF NATURAL GAS LIQUIDS AND NATURAL GAS LIQUID PRODUCTS; RECEIPT OF COMMENTS AND TESTI- MONY UPON OTHER OUTSTANDING ISSUES UNDER SUBPART K

AGENCY: Federal Energy Administra-
tion.

ACTION: Notice of Proposed Rulemak-
ing and Public Hearing.

SUMMARY: The Federal Energy Ad-
ministration (FEA) hereby gives notice
of a proposed rulemaking and public
hearing, for the purpose of amending
Subpart K of the Mandatory Petroleum
Price Regulations to provide detailed
rules for the passthrough of increased
processing and marketing costs in the
price of natural gas liquids and natural
gas liquid products. Also proposed are
amendments intended to clarify the ap-
plication of Subpart K to the marketing
operations of gas processors. Finally, cer-
tain provisions regarding the "banking"
of all increased costs and required cor-
rections for overrecovery of such costs
are proposed.

It is also the purpose of this proceed-
ing to identify and receive comments
and (insofar as is feasible) testimony
concerning other outstanding issues re-
garding the operation of Subpart K, in
an effort to provide a comprehensive re-
view of Subpart K and to provide a basis
for any necessary further revisions to
Subpart K.

DATES: Comments by Friday, July 15,
1977, 4:30 p.m.; Requests to speak by
Friday, June 24, 1977, 4:30 p.m.; hear-
ing dates: Washington Hearing: Wed-
nesday, July 20, 1977, 9:30 a.m.; Dallas
Hearing: Monday, July 11, 1977, 9:30
a.m.; Denver Hearing: Thursday, July
14, 1977, 9:30 a.m.

ADDRESSES: All comments to Execu-
tive Communications, Room 3317, Fed-
eral Energy Administration, Box MD,
Washington, D.C. 20461; Requests to
speak: Washington Hearing: Attn: Ex-
ecutive Communications, 12th and Penn-
sylvania Avenue, NW., Room 3317, Box
MD, Washington, D.C. 20461; Dallas
Hearing: Federal Energy Administra-
tion, Attn: Susan Dickey, Office of Com-
pliance, 2626 West Mockingbird Lane,
Dallas, Texas 75235; Denver Hearing:
Federal Energy Administration, Attn:
K. Merica, P.O. Box 26247, Belmar
Branch, 1075 South Yukon Street, Lake-
wood, Colorado 80226; Hearing location:
Washington Hearing: Room 2105, 2000
M Street, NW., Washington, D.C. 20461;
Dallas Hearing: Room 250, 2626 West
Mockingbird Lane, Dallas, Texas; Den-
ver Hearing: Main Post Office Building,
Room 269, 18th and Stout Street, Den-
ver, Colorado 80201.

FOR FURTHER INFORMATION CON- TACT:

Robert C. Gillette (Hearing Proce-
dures), 2000 M Street, NW., Room
2214B, Washington, D.C. 20461, 202-
254-5201.

Ed Vilade (Media Relations), 12th and
Pennsylvania Avenue, NW., Room
3104, Washington, D.C. 20461, 202-
566-9833.

Ed Mampe (Regulatory Programs),
2000 M Street, NW., Room 2304, Wash-
ington, D.C. 20461, 202-254-7200.

Cliff G. Russell (Office of General
Counsel), 12th and Pennsylvania Ave-
nue, NW., Room 5138, Washington,
D.C. 20461, 202-566-9567.

SUPPLEMENTARY INFORMATION:

I. BACKGROUND AND SUMMARY

A. Summary of Issues Proposed for
Resolution in this Rulemaking.

B. Summary of Other Issues upon
which Comments are Requested.

II. PROPOSED AMENDMENTS

A. Passthrough of Increased Process-
ing Costs.

B. Increased Marketing Costs; Appli-
cation of Subpart K to Marketing Oper-
ations of Gas Processors.

C. Banking of Increased Costs; Cor-
rections for Overrecovery of Increased
Costs.

III. OTHER ISSUES REGARDING THE OPERATION OF SUBPART K

A. Limitations Upon Net-back Oblig-
ations of Gas Processors.

B. Allocation of Increased Product
Costs Among Firms.

C. Adjustment for "Unrepresentative"
May 1973 Costs and First Sale Prices.

D. Adjusted May 15, 1973 NGL Prices
Based Upon "Discounts" from NGL
Products Prices.

E. Exclusion of Costs Attributable to
Uncontrolled Products.

F. Calculation of Increased Costs of
Natural Gas Shrinkage.

G. Imputed May 15, 1973 Prices and
Costs under Subpart K.

H. Definition of a "Gas Plant," or of
"Costs Attributable to Gas Plant Oper-
ations," for Purposes of Computing Pro-
cessing Costs and Determining Adjusted
May 15, 1973 Prices.

I. Treatment of Mixed NGL Products
and Partially Fractionated NGLs.

IV. COMMENT PROCEDURES

A. Written Comments.

B. Public Hearings.

I. BACKGROUND AND SUMMARY

On December 24, 1974 (effective Janu-
ary 1, 1975), the FEA first promulgated
Subpart K, entitled "Natural Gas Liq-
uids," to the Mandatory Petroleum Price
Regulations (39 FR 44407, December 24,
1974). Prior to the promulgation of Sub-
part K, the prices of natural gas liquids
(hereinafter referred to as "NGLs") and
natural gas liquid products (hereinafter
referred to as "NGL products"), whether
produced in crude oil refineries or in

natural gas processing plants, had been
regulated by the FEA under a single set
of provisions (now Subpart E of Part
212) which are directed primarily to-
ward crude oil refinery operations. The
promulgation of Subpart K reflected
FEA's recognition that separate treat-
ment of NGLs and NGL products pro-
duced in gas plants was warranted, in
view of the different pricing conditions
applicable to NGLs and NGL products
derived from natural gas, the difference
in the nature of the costs incurred by
gas processors, and the differences be-
tween gas plant operations and crude oil
refinery operations. In view of the im-
portant role played by such NGLs and
NGL products, and their practical sig-
nificance to the scheme of FEA regula-
tions generally, the need to respond to
the more pressing issues was apparent.

The FEA recognized at that time that
while Subpart K would address the then
more salient issues pertaining to the ap-
propriate costs and prices of NGLs and
NGL products produced from gas plants,
the operation of Subpart K in practice
could have unforeseen consequences and
raise unforeseen issues which would re-
quire further revisions to that subpart.
Since that time, the FEA has sought,
through specific amendments to Subpart
K, rulings, interpretations and excep-
tions, to address a number of particular
issues which have been raised under Sub-
part K. However, continued experience
under this subpart has led the FEA to
the tentative conclusion that at least
prospective resolution of certain broad
issues, through adoption in this rulemak-
ing proceeding of appropriate amend-
ments to Subpart K, is now both neces-
sary and appropriate. These proposed
amendments pertain essentially to the
recovery of increased processing and
marketing costs in the prices of NGLs
and NGL products.

The FEA has also concluded that it is
now appropriate to undertake compre-
hensive review of the operation of Sub-
part K, and that receipt of public com-
ments and testimony identifying and
discussing other outstanding issues un-
der Subpart K may be of significant
benefit to the FEA in determining how
Subpart K may be further revised to im-
prove its operation. In section III, below,
the FEA identifies and discusses some of
the more salient issues which have come
to its attention, and upon which public
comment may provide a basis for future
rulemaking. However, the FEA also en-
courages commenters to identify and dis-
cuss any other issues which they believe
require regulatory action.

A. SUMMARY OF ISSUES PROPOSED FOR RESO- LUTION IN THIS RULEMAKING

The FEA proposes to amend Subpart
K by revising and adding several provi-
sions, which are discussed in more de-
tail in section II, below, to accomplish
the following:

1. To remove the present ceilings con-
tained in § 212.165 on the passthrough of
increased non-product costs in the prices
of NGLs and NGL products, and to pro-

vide in lieu thereof a mechanism for determining the specific allowable increased processing costs which may be passed through in the price of NGLs and NGL products;

2. To provide specifically that gas processors may pass through increased costs of marketing NGL products (propane, butane and natural gasoline) in the prices of such NGL products, in a manner essentially parallel to that which is now (under a final rulemaking issued by FEA on April 25, 1977 (42 FR 22131, May 2, 1977)) permitted for resellers under Subpart F;

3. To clarify, on a prospective basis and without prejudice to a later determination regarding the appropriate treatment of past practices, that except in limited situations in which an affiliated entity qualifies as a reseller eligible for Subpart F treatment under § 212.91, Subpart K is exclusively applicable to all of the operations, including marketing operations, of all gas processors that do not refine crude oil, regardless of whether such operations are conducted directly by the gas processor or through a separate corporate entity; and

4. To provide specific rules regarding the banking of all increased costs, and to provide an express requirement to make corrections for overrecovery of all increased costs.

B. SUMMARY OF OTHER ISSUES UPON WHICH COMMENTS ARE REQUESTED

Itemized below, and discussed in more detail in section III., are issues identified by the FEA as possibly requiring regulatory revision or other appropriate resolution and upon which comments and testimony, if appropriate, are requested. The FEA reiterates that the ensuing list is not necessarily exhaustive of the issues relating to Subpart K which are or may be outstanding, and that commenters are encouraged to identify and comment upon any other issues which they believe are of general significance and/or can feasibly be addressed through appropriate regulatory revision. Depending upon time constraints and the need to establish priorities among issues, and subject further to the general rules applicable to its hearings, the FEA will attempt to accommodate requests to testify on the ensuing listed issues and on any other issue identified by commenters and determined by FEA to be appropriate for testimony.

1. Whether the FEA feasibly can and properly should provide a mechanism for limiting gas processors' net-back obligations, so that net-back interests are not permitted to receive payments based on first sale prices to the extent such prices reflect the recovery of increased costs incurred by the processor; and, if such limitations should be imposed, what mechanism for accomplishing that purpose should be adopted.

2. Whether the FEA should amend Subpart K to provide, in the manner proposed for increased processing and marketing costs in this proposed rulemaking, that increased product costs shall be permitted to be passed through only in the

prices of NGLs and NGL products sold by the firm which actually incurs or is deemed to have incurred such increased product costs.

3. Whether Subpart K should be further amended to provide that, where actual costs incurred in May 1973 or actual first sale prices on May 15, 1973, as determined under Subpart K or pursuant to the "new item" rule of § 212.111, are not reasonably representative of costs incurred or prices charged during the relevant general period, the FEA may permit or require the use of average costs or prices during a longer period, such as the firm's entire fiscal or calendar quarter (or fiscal or calendar year) which includes the day or month otherwise applicable under present Subpart K or § 212.111.

4. Whether the FEA should amend current § 212.164(b) to eliminate the present "discount" basis upon which May 15, 1973 first sale prices of NGLs are permitted to be adjusted when the NGL products seller uses adjusted May 15, 1973 first sale prices under § 212.164 (a), and either (a) base the adjusted NGL price upon the objective May 15, 1973 price differential between such NGLs and the NGL products derived from the NGL product seller's plant at which such NGLs were fractionated, or (b) permit the NGL seller generally to adjust its May 15, 1973 first sale price to all purchasers up to a specified uniform amount (e.g., up to one-half cent per gallon less than the adjustments permitted NGL product sellers under § 212.164(a)).

5. Whether the FEA should amend current § 212.167(a) to exclude, from the amount of increased product, processing and marketing costs available for recovery in the prices of NGL products, those costs attributable not only to ethane but also to other products, such as helium, nitrogen and sulfur, which are frequently contained in wet natural gas streams but which are not themselves controlled products under FEA regulations.

6. Whether the FEA should provide for a different or alternative method of calculating increased costs of natural gas shrinkage under Subpart K and FEA Ruling 1975-18, in order to: (a) establish a fixed base period cost of shrinkage for "new streams"; (b) address the phenomenon of "negative shrinkage" (i.e., decreased shrinkage costs); and/or (c) permit the recovery of increased costs of natural gas shrinkage in cases in which the residue gas is not sold pursuant to a pre-existing contract of sale.

7. Whether Subpart K should be amended to provide specific rules, applicable in particular situations, concerning the appropriate May 1973 cost and price levels for NGLs or NGL products which are or may be "new items," and for other situations in which actual May 1973 costs and prices are not available.

8. Whether the FEA should amend the current definition of "gas plant," contained in § 212.162, in order to specify with greater particularity the facilities which constitute a gas plant for purposes of applying the processing cost

rules of § 212.165 and the imputed price rules of § 212.164. In connection with this issue, the FEA requests comments upon whether the definition of a "gas plant," or the concept of "costs attributable to gas plant operations," should be expanded to permit the recovery of increased costs associated with facilities (such as gathering lines) which do not appear presently to be covered by the definition of a "gas plant,"; or whether such increased "gas gathering" costs should be treated as increased product costs in a manner analogous to the treatment of transportation costs as "costs of crude oil" under Subpart E.

9. Whether the FEA should amend Subpart K to clarify the pricing and costing treatment of partially fractionated NGLs and mixed NGL products.

II. PROPOSED AMENDMENTS

In the ensuing discussion in this section, the background (or current situation), which the FEA has tentatively concluded warrants the amendments to Subpart K which are specifically proposed herein, will be briefly discussed, and then the intended operation of and issues pertaining to the amendments themselves are discussed. Commenters are urged to make as comprehensive a review of the proposed amendments as possible, with regard not only to the text thereof but also with regard to their context, both within Subpart K and in relation to other pertinent subparts (e.g., Subparts E and F). The FEA may consider any additional and collateral amendments to Subpart K (and other appropriate subparts) which are necessary to effectuate the intent of these proposals to be within the scope of this proposed rulemaking, and it accordingly reserves the option to make any such additional amendments as part of a final rulemaking in this proceeding, without further notice of proposed rulemaking with respect thereto. The FEA also reserves the option to adopt the amendments proposed herein in part rather than in their entirety.

A. PASSTHROUGH OF INCREASED PROCESSING COSTS.

1. *Background.* In promulgating Subpart K, the FEA recognized that the calculation of increased non-product costs and the proper method of recovery of such increased costs was particularly complicated with respect to gas plant operations, principally because of the multitude and dispersion of gas plants, the varied patterns of equity interests in gas plants and gas plant production, and the wide variety of contractual arrangements among firms concerning gas plant operations. In view of this complexity, the FEA determined that it would not then provide a method or formula for permitting the automatic passthrough of increased non-product costs in the prices of NGLs and NGL products produced at gas plants, but would rather generally permit the passthrough of actual (undefined) increased non-product costs attributable to gas plant operations up to an amount equal-

ling \$.00 per gallon for NGL products and \$.00375 per gallon for NGLs. Such limitations or "ceilings" are presently contained in § 212.165. However, it was not the FEA's policy that actual increased non-product costs in excess of these limitations should not be recovered in NGL and NGL product prices; the limitations presently contained in § 212.165 were rather considered to be a matter of administrative necessity in view of the complexities previously discussed. Therefore, gas processors that incurred increased non-product costs in excess of the regulatory ceilings were (and are now) both required and generally permitted to utilize the exceptions process in order to recover, on a case-by-case and plant-by-plant basis, such excess increased non-product costs.

Gas processors have with increasing frequency availed themselves of the exceptions process in order to recover increased non-product costs in excess of the limitations presently contained in § 212.165. The large majority of these requests have involved a common situation in which the gas processors have claimed that the actual costs of processing in a particular plant or plants have substantially exceeded the present limitations of § 212.165. Such situations have become sufficiently common that the Office of Exceptions and Appeals has adopted the general rule that, where the gas processor's cost records substantiate its claim that actual increased non-product costs substantially exceed the permitted recovery under § 212.165, its request for exception will ordinarily be granted. (The Office of Exceptions and Appeals has also adopted certain subsidiary rules and presumptions in applying the above stated general rule. However, these rules and presumptions will not be discussed herein except where relevant to issues regarding the proper prospective application of the more comprehensive increased processing cost passthroughs proposed herein.)

With the accumulation of experience under the exceptions process and also under the increased non-product cost passthrough provisions of Subpart E, the FEA has tentatively concluded that it may be feasible to adopt a more comprehensive approach to increased processing cost passthroughs under Subpart K. The FEA has concluded that it would be desirable to provide in the regulations for such passthroughs, if and to the extent feasible, rather than to relegate gas processors to the exceptions process. As indicated by the preceding discussion, it has never been the policy of the FEA to deny to gas processors the recovery of actual increased non-product costs attributable to gas plant operations, provided that a means can be devised for properly defining the appropriate costs and limiting the recovery thereof so as to prevent unjustified increases in the prices of any NGLs and NGL products.

2. *Proposed Amendments.* Proposed § 212.165 is intended to accomplish the objective of permitting gas processors to pass through actual increased processing costs attributable to gas plant operations,

without regard to the \$.005 per gallon limitation contained in present § 212.165, but subject to the conditions, limitations, and definitions contained in proposed § 212.165.

As discussed hereinafter in section II.B., there has evidently been some uncertainty concerning whether the phrase "non-product costs attributable to gas plant operations," contained in present § 212.165, means only the costs of processing natural gas to derive NGLs or NGL products or also includes the costs of marketing the NGLs and NGL products produced in gas plants. Proposed § 212.165 would be applicable only to processing costs; whereas proposed § 212.166 (discussed in section II.B.) would be applicable only to marketing costs.

Proposed § 212.165 would permit "a firm" to increase the prices of NGLs and NGL products "which it sells" to reflect actual increased processing costs "which it has incurred." The allowable categories of processing costs which may be used in calculating increased processing costs are defined, and include depreciation, labor, plant fuel, maintenance, certain overhead, certain taxes, utilities, and interest. (See text of proposed § 212.165(b)(2).) The allowable processing costs are intended generally to parallel those allowed crude oil refiners with respect to their refinery operations, including those additional categories provided in the FEA's recent rulemaking concerning increased non-product costs under Subpart E (42 FR 5023, January 27, 1977). As in that rulemaking, certain general accounting procedures are required in the calculation of processing costs and in the assignment of such costs to the proper category. Specifically, the firm must use generally accepted accounting methods which have been historically and consistently applied by it, must depreciate rather than "expense" capital investments, and must prorate extraordinary or irregular expenses.

Also like the approach taken in the recent Subpart E rulemaking, processing cost increases would be measured on an "output-adjusted," or per unit, basis, rather than in absolute total dollar amounts. That is, processing costs for the current month would be measured by dividing (1) total allowable costs (calculated separately for each category and added together) incurred by a firm during the current month at the gas plant or plants in question by (2) the volumes of NGLs and NGL products owned by the firm and produced in that plant or plants for the current month. The processing costs for such plants would thus be expressed in terms of so many cents per gallon. A similar per unit cost figure would be derived for May 1973 by using May 1973 total costs and volumes. The difference between current month per unit processing costs and May 1973 per unit processing costs would then be multiplied by the volume of NGLs and NGL products owned by the firm and produced in that plant or plants for the current month, and the resulting amount would represent increased processing costs

available for passthrough in sales by the firm during the current month.

Proposed § 212.165 would also limit the amount of increased processing costs available for recovery by any firm to only those costs actually incurred (or deemed to have been incurred) by the firm. Specifically, proposed § 212.165(c)(3) would establish the general rule that only the firm directly liable to pay the actual increased processing costs (e.g., wages for its employees) would be entitled to increase its selling prices by reason of such increases. However, proposed § 212.165(c)(3) then seeks to address and account for contract payments between firms which are "separate" but which are "related" in the sense that they each have an interest in one or more of the same gas plants or in the production from such plant or plants. Payments between such firms may amount in effect to a reimbursement to the firm that has actually and directly incurred allowable costs, and they create a recognizable "cost" to the reimbursing firm. To the extent that such payments have this effect of shifting the burden of the pertinent underlying allowable cost, the reimbursing firm is logically entitled to pass them through in its sales, provided that a means can be devised for presenting recovery of the same costs in sales by any other firm. Thus, these contract payment provisions, if they prove feasible, would have the effect of recognizing "processing fee" payments, whether made in cash or in kind.

Proposed § 212.165 would also provide certain rules regarding the sales in which increased processing costs are recoverable. In particular, increased processing costs would be required to be aggregated and allocated to products on the same basis upon which product costs are aggregated under present § 212.167(b) (i.e., by stream, by plant, or across plants). (However, proposed § 212.165(b)(3) would ensure that any such aggregation does not result in a May 1973 cost basis of zero for any plant.) It is also proposed that the provisions of present § 212.167 which pertain to the exclusion of increased costs attributable to ethane (§ 212.167(a)), the allocation of increased costs to propane (§ 212.167(c)), and the allocation of increase costs among classes of purchaser (§ 212.167(e)), would apply to the recovery of increased processing costs as well as to increased product costs.

Finally, a proposed new § 212.169, which would apply to all increased costs, product, processing or marketing, would permit the "banking" of any currently unrecovered increased processing costs, to be available for recovery in subsequent months, subject however to certain limitations on the amount by which prices can be increased in any month by reason of the application of "banked" increased costs. (Proposed § 212.169 is discussed in greater detail in section II.C. below.)

The FEA requests comments and evaluation regarding its proposed handling of increased processing costs. In particular, and without limiting commenters to

these issues, the FEA seeks evaluation and comment upon certain issues which are briefly discussed below.

(a) *Categories of Allowable Processing Costs.* As previously indicated, the categories of allowable processing costs (set forth in proposed § 212.165(b)(2)) are intended generally to parallel those permitted crude oil refiners with respect to their refinery operations. However, there are some differences in the description of these categories, primarily in an effort to avoid the necessity for complicated formulae but also to reflect differences in the situation of gas processors from that of crude oil refiners.

The FEA believes that the general cost categories used for Subpart E, and the general policy considerations for limiting certain costs in those categories under that subpart, are, with some exceptions, generally valid for gas processors as well. This includes the requirement to apply certain accounting procedures for certain items such as depreciation and extraordinary or irregular expenses. However, the FEA solicits comments on the adequacy of its description of allowable increased processing costs with respect to gas processors. Gas processors that also refine crude oil should bear in mind that they are required under present § 212.161(b)(2) to calculate their increased costs for NGLs and NGL products produced in gas plants under Subpart K rather than Subpart E.

(i) *Depreciation.* As proposed, increased depreciation costs would not be allowed for gas plants where the products produced from such plants receive an adjusted May 15, 1973 price under § 212.164(c)-(e) (pertaining to plants which are constructed or expanded after January 1, 1975). This is to reflect the fact that the "incentive" for such construction or expansion, represented by the increased adjusted price, has the effect of allowing a recovery of costs for gas plant facilities and equipment which could not otherwise be recovered under Subpart K. However, a firm would be given the option of using actual May 15, 1973 prices in lieu of the adjusted price, and in conjunction therewith would have the right to claim depreciation cost increases for those plants.

The FEA recognizes that some price incentive has been necessary, in order to stimulate additional plant construction and thereby to bring about an increase in NGL and NGL product supply. It also recognizes, as discussed in section III-G.1.a., that in certain circumstances an additional incentive may be required. However, the FEA also believes that the allowance of increased costs of depreciation should serve as such an incentive, at least for those processors that have established May 1973 depreciation costs and for whom, therefore, any increased levels of capital investment made since that time would be reflected in increased depreciation costs.

However, the FEA solicits commenters' views regarding the proper interaction between the adjusted May 15, 1973 price for new plants under § 212.164(c)-(e) and the passthrough of depreciation cost increases as proposed herein.

Previously, the Office of Exceptions and Appeals has not permitted the recovery of depreciation cost increases which were in excess of the ceiling contained in present § 212.165, on the basis that such "costs" do not represent actual "out-of-pocket" cash outlays for which exception relief would be appropriate. However, as the period of controls lengthens, it appears appropriate to the FEA to recognize and permit the passthrough of such increased costs, in order to reflect recognition of the fact that gas plants are aging and to provide the necessary stimulus for continued plant construction and reconstruction. However, the FEA requests comments on the need for and propriety of recognizing this category of processing costs under all of the present regulatory circumstances.

(ii) *Plant fuel.* Plant fuel costs are treated differently in the proposed § 212.165 than in Subpart E, in two respects. First, where (as is frequently the case) some of the natural gas processed at the gas plant is utilized as plant fuel, increased costs attributable thereto are presently accounted for as increased product costs, i.e., as increased costs of natural gas shrinkage, under FEA Ruling 1975-18. (Of course, natural gas shrinkage, including shrinkage attributable to the use of processed gas as plant fuel, can occur only with respect to plants in which extraction of the liquids from the gas stream occurs, and not with respect to separate NGL fractionation plants in which only the NGL stream is being processed.) If such costs continue to be so treated as natural gas shrinkage, they obviously should not also be accounted for as increased processing costs. In addition, since the increased "costs" associated with the use of such processed natural gas as plant fuel generally do not represent actual cash outlays, and in view of the difficulty of measuring and valuing, as a discrete quantity, the amount of processed gas which is cycled back into plant fuel, the FEA believes that such costs are more easily and appropriately treated as natural gas shrinkage costs under Ruling 1975-18. Accordingly, the FEA proposes to exclude such costs from the plant fuel processing cost category.

Second, proposed § 212.165 does not provide a fuel efficiency incentive, which is an option provided to crude oil refiners (if they do not also claim depreciation on fuel conservation equipment) under the amended Subpart E. However, since gas processors, unlike crude oil refiners, have not previously utilized the incentive formula, and in view of the fact that fuel conservation investments may be depreciated, the FEA has tentatively concluded that provision of such an incentive may not be sufficiently productive to justify the administrative difficulties which it is likely to create for the FEA and for gas processors. Among other complicating factors in the use of such a formula would be the necessity to "factor out" the volumes of natural gas processed at the gas plant which are utilized as plant fuel and which, therefore, would be recovered in costs of natural gas shrinkage. More-

over, due to basic differences in the nature of gas plant operations from those of crude oil refineries, even in an efficient gas plant the quantity of liquids recovered may tend over time to decline faster than the rate of fuel utilization. As gas field reserves are depleted, the volumes available for processing in a given gas plant may decrease, the inlet gas pressure may decline, and the gas may become less "rich" in terms of liquid content. Each of these trends would tend to affect fuel consumption per unit of liquid volume produced adversely. Under these conditions, the use of the refiners' fuel efficiency incentive may not be effective.

However, the FEA wishes to consider whether it should and can feasibly provide an appropriate incentive for fuel conservation, particularly in view of the current natural gas storage and in view of the fact that plant fuel may account for a considerable portion of the reduction in processed gas available for sale (especially in the older, less efficient plants). Accordingly, FEA requests commenters' views as to ways in which it can provide such an incentive. The FEA will consider the alternative of removing plant fuel from the category of shrinkage costs altogether, and treating it exclusively as a processing cost. If this can feasibly be done, then it may be possible to provide an incentive formula substantially along the lines of that provided for crude oil refiners under Subpart E. For example, it may be possible to permit optional plant-by-plant calculation of plant fuel costs under a formula substantially similar to that permitted refiners (e.g., increased costs per unit of energy consumed as plant fuel, multiplied by the volume of NGLs recovered in the current month, and multiplied by the amount of energy consumed as plant fuel per unit of NGLs recovered in May 1973) for those plants in which such a formula would permit higher increased cost pass-throughs and thus presumably provide a meaningful fuel conservation incentive. The FEA requests comments regarding whether it would be feasible for this purpose to measure the amount of processed gas which is used as plant fuel. Suggestions as to the most appropriate method of valuing such gas for these purposes are also requested. Comments and suggestions are also requested concerning other possible means of implementing a fuel efficiency incentive.

(b) *Accounting for Contract Costs (Including Processing Fees); Determination of Which Firm is Entitled to Pass Through Increased Processing Costs.* Present Subpart K contains no express provisions regarding the matter of which firm is entitled to claim increased processing costs. Present § 212.165 provides only that actual non-product costs (attributable to gas plant operations) may be passed through in NGLs and NGL products up to the specified amount per gallon. Proposed § 212.165, in conjunction with providing for the "automatic" passthrough of increased processing costs, seeks to provide an express regulatory basis for allocation of such costs among various firms which may in some

fashion share in the costs and output of one or more plants. It also seeks to establish that increased processing costs may be passed through only by the firm which incurs (or is deemed to have incurred) such costs.

The necessity of providing a method of allocating increased processing costs among different firms derives from the fact that ownership of a gas plant, and/or ownership of the production from a gas plant, is frequently not limited to a single firm. Often a gas plant, or the liquid production from a gas plant, is owned by several firms. However, even where the interests in a gas plant or gas plant production are multipartite, a single firm typically undertakes to operate the plant, on its own behalf and on behalf of the other interests. This operator is the firm that typically incurs the actual processing costs in the first instance. However, this firm may then be reimbursed by the other interests, either in proportion to their interests or in some other agreed upon fashion. This reimbursement may be in cash, or it may take the form of an in-kind transfer of a portion of the liquids. Or, rather than being reimbursed on the basis of an after-the-fact determination of costs and shares, the operator may receive a specified cash amount per unit of volume processed or a specified percentage of the liquids produced (above any amounts deriving from the operator's interest, if any, in the gas) as compensation for processing services.

The same types of arrangements may be made between firms in cases in which one of the firms has no continuing interest in the gas plant or in its production, but from time to time or for a period of time has its gas stream processed by the other as an "accommodation."

In either of these cases, there is a need to determine what increased costs may be passed through, and by which firm. Proposed § 212.165(c)(3) attempts to provide the basis for making these determinations. The specific proposed rules for allocating costs are discussed subsequently. However, in order to understand the intended operation of these rules, it is necessary to define some new concepts and terminology. Proposed § 212.165 introduces a concept which is somewhat new to the Mandatory Petroleum Price Regulations, viz., the concept of "related entities." "Related entities" are firms which are separate and independent, i.e., which are not affiliated with or controlled by the other, but which each have an interest in one or more of the same gas plants or in the production from such plant or plants. "Related entities" are also those separate and independent firms which are in the business of selling products which are (or at any time were) "covered products" under the Mandatory Petroleum Price Regulations, whether or not such firms have an interest in one or more of the same gas plants or in the production from such plant or plants. Proposed § 212.165(c)(3) attempts to provide specific rules for the allocation of costs among such "related entities." Thus, it would not generally modify the "one-firm" concept, because

it applies only to payments between firms which are not affiliated with or controlled by the other; but it would recognize that specific arrangements among such firms regarding gas plant interests and operations do not create a new entity which must be attributed in its entirety to one or another of the participant firms. In brief, the concept of "related entities" is intended to permit each independent participant to assign its share of the processing costs to its liquids.

As indicated above, a "related entity" to which the payment provisions of § 212.165 would apply would include a stranger to any basic gas plant operating agreement who in fact has his gas processed at the plant in question in return for a fee (in cash or in kind). He would be a "related entity" because he would, for the period during which his gas is being processed, have an interest in the production from that plant. Thus, the processing fee payment provisions would apply to payments between strangers as well as "partners."

As proposed, the contract payment provisions of § 212.165(c)(3) would not apply to payments made to an "unrelated entity," i.e., a separate and independent firm which has no interest in any gas plant (or in the production from any plant) in which the paying firm has an interest, and which is not in the business of selling a product that is (at or any time was) a "covered product." In these cases, the operator is presumably performing on a strictly service contract basis. (Of course, this assumes that the payment is not made in kind, since otherwise the operator would have an interest in the production and thus become a "related entity.") The FEA has tentatively concluded that payments made in such a case do not require the level of strict control required for "related entities," because the paying firm's self-interest should keep such payments to a minimum. The requirement that the operator in such a case not be in the business of selling covered products is intended to prevent the possibility of any "round-robin" arrangements among gas processors or refiners.

With respect to the specific substantive rules for allocating costs among related entities, the basic touchstone for the FEA's consideration of these matters is that, however the costs are allocated among the various firms, the prices of NGLs and NGL products shall be increased to reflect increased processing costs only to the extent that actual increased processing costs (as such processing costs are defined and limited in the proposed § 212.165) are incurred. Payments between "related" entities may represent a real cost to the paying firm, but they do not in themselves necessarily represent the direct incurrence of actual processing costs attributable to gas plant operations. On the other hand, payments pursuant to contract or agreement between such firms ordinarily reflect the need of the payee to be reimbursed for a portion of the costs which it incurs in processing natural gas or NGLs (although it would be difficult to infer that

the entirety of such payments constitutes reimbursement of costs, since agreements of this kind would ordinarily be expected to anticipate an element of profit (return) to the payee as well). The paying firm might therefore understandably claim that a portion of such payments reflects reimbursement for actual processing costs, and that it should therefore be entitled to pass through such amount in the prices of its NGLs and NGL products. The FEA recognizes the validity of these claims, and in proposed § 212.165(c)(3) seeks to establish a basis upon which actual increased processing costs can be allocated among the firms, without permitting the passthrough by all of such firms combined of more than the total of all actual increased processing costs.

Proposed § 212.165(c)(3) attempts to provide such a basis by first providing that only that firm which actually and directly incurs a particular increased processing cost shall be entitled to pass such increase through in the prices of its NGLs and NGL products; but it then modifies that general rule by providing for the treatment of contract payments between "related entities."

As proposed, related entities may agree (in writing) among themselves as to cost allocation or assignment (which may be a fixed per gallon or lump sum amount), provided that such agreement is specific in providing the method by which such costs are allocated or assigned and provides a mechanism which assures that such cost allocation does not result in a combined recovery of more than total actual increased processing costs. The FEA believes that each firm's self-interest should prevent grossly disproportionate allocations, and it seeks in these regulations merely to provide a regulatory basis for recognizing these arrangements. Apart from preventing severely dislocating effects on purchasers and excessive total recoveries, it does not seek to interfere with the firm's decisions in this regard. (The agreement must, however, be in writing, and it must provide a specific mechanism for allocating such costs and preventing combined overrecovery of such costs, in order to provide a sufficiently verifiable basis for the FEA to determine that related entities are complying with these regulations.)

Failing a proper agreement, the FEA proposes to "require" that the payee certify, to the payor, the extent to which actual costs attributable to gas plant operations and allowable under these regulations are reflected in such payments. Such costs would be the same proportion to total allowable costs for the plant concerned as the amount of NGLs and NGL products owned by the paying firm and on account of which the payments are made bears to the total amount of NGLs and NGL products produced at the gas plant concerned during that period. The payor would then be entitled to treat the certified costs as having been incurred by it, for purposes of calculating its processing costs; and the payee would be required to deduct the

same amount from the costs incurred by it.

The FEA recognizes that the payee may be reluctant to make such a certification, for the reason that it may not be willing to divulge its cost (and therefore its contract profit) information to another firm and thus (possibly) affect bargaining relationships between the two. Therefore, the FEA does not propose an unconditional requirement to certify such costs; but it proposes to provide that if such costs are not certified, the payor is entitled to treat the entirety of such payments as costs incurred by it, and the payee must conversely deduct the entirety of such payments from costs otherwise incurred by it.

A somewhat different approach is proposed for payments made in the form of in-kind transfers of NGLs and NGL products. With respect to such payments, the payor must obtain either a written agreement regarding cost allocation or certification of allocable costs from the payee. In the absence of either of these, the payor may not claim any increased processing costs by reason of such payments. However, the payee would still be required to deduct from the costs it actually incurs the amount which is attributable (on a volumetric basis) to the output which is owned by the payor.

The primary reason for not permitting an in-kind transfer to be reflected in the payor's processing costs, in the absence of agreement or certification, is the fundamental difficulty of either valuing the transfer or characterizing it as a "cost" in the same sense as for cash payments. Certainly such a transfer represents lost revenues, but it appears to FEA to be extremely difficult to trace the amount of lost revenues, as they may vary from time to time depending on the market, to any actual processing cost. An additional problem is that valuing such a transfer on a lost revenue basis, and further requiring the payee to deduct that amount, would be tantamount to imposing a forced purchase of the NGLs upon the payee.

Of course, an alternative under either the cash or in-kind method of payment would be to impose an unconditional requirement upon the payee to certify costs to the payor.

The requirement that the payee deduct all cash payments, and a pro rata share of costs in the case of in-kind transfers, is intended to create an inducement for the payee to do so. For reasons previously stated, the FEA does not propose to impose such an unconditional requirement. However, it considers that such an option is open to it in this rulemaking, and requests comments on the alternative.

The issues presented by any effort to ascribe common costs to specific firms are recognized by the FEA to be very complex, particularly in view of the wide variety and complexity of arrangements between gas plant operators, gas plant owners, natural gas producers, and natural gas royalty owners regarding the sharing of costs and output, the valuation of in-kind transfers, and similar matters. The FEA requests that all such

interests carefully scrutinize proposed § 212.165(c) (3), and bring to the FEA's attention any foreseeable problems in the operation of those provisions. Where problems are noted, the commenter should provide illustration with reference to the specifics of the inter-firm arrangements or types of arrangements for which problems are foreseen, the specific problems foreseen for such arrangements, and suggested changes or additional provisions to remove or mitigate those problems. As previously stated, the FEA may consider any additional and collateral changes to these provisions which are necessary to effectuate the intent of its proposed amendments to be within the scope of these proposals.

(c) *Aggregation and Allocation of Increased Processing Costs.* The FEA proposes that increased processing costs be aggregated and allocated on the same basis as increased product costs under present § 212.167. That is, it would require that a portion of increased processing costs be allocated to ethane, and excluded from costs available for recovery in NGL products prices, in the same manner as provided under the formula of § 212.167(a) for increased product costs; that increased processing costs be aggregated on the same basis upon which increased processing costs are aggregated under § 212.167(b) (i.e., by stream, by plant, or across plants); that increased processing costs be allocated to propane only to the extent permitted on a volumetric annual sales basis as provided for increased product costs under present § 212.167(c); and that increased processing costs be allocated (generally equally) among classes of purchaser as provided in § 212.167(e) for increased product costs.

The FEA requests comments upon the appropriateness of treating the aggregation and allocation of increased processing costs in the same manner as for increased product costs. If a commenter objects to the proposed treatment of increased processing costs in these regards, specific reasons justifying different treatment should be provided.

In considering whether to adapt the provisions of present § 212.167 to increased processing costs, the FEA wishes to consider in particular the relationship between § 212.167(b), which permits aggregation of costs on several alternative bases, and § 212.167(e), which generally requires equal application of increased costs among classes of purchaser. The FEA seeks to ascertain the practices and experience of gas processors under these two provisions, with a general description of how increased costs have been aggregated under § 212.167(b), and the sales in which (and purchasers with respect to which) such increased costs have been recovered. The FEA also seeks to ascertain in general whether classes of purchaser have cut across cost centers, or whether such cost centers reflect separate classes of purchaser. The FEA seeks to determine whether a requirement to aggregate increased processing costs in the manner provided by present § 212.167(b) would

be appropriate, in light of gas processors' practices and with respect to the implications of such aggregation for the "class of purchaser" concept, and it will give thorough consideration to the appropriateness and practicability of an alternative which would require firm-wide aggregation of increased processing costs.

On the assumption that increased processing costs are permitted to be aggregated on any of the several alternative bases provided for increased product costs under present § 212.167(b), it appears to the FEA to be desirable to provide a basis for establishing May 1973 processing costs for plants which have been constructed since May 1973, at least where costs incurred at such a new plant or plants are aggregated solely with respect to that plant or plants. In the absence of a contrary provision, the proposed processing cost provisions might be susceptible to a reading that May 1973 processing costs would be aggregated as provided in present § 212.167(b) for purposes of aggregating increased costs. Such a reading would result in May 1973 processing costs for new plants being zero, with the further result that all actual processing costs in a given month would by definition be increased processing costs permitted to be added to May 15, 1973 prices in order to determine current lawful selling prices. Such a result is not intended and would be inappropriate, since it would mean that the imputed May 1973 prices provided in § 212.164 would represent pure profit. However, those prices, like all "base period" prices whether actual or imputed, are necessarily based upon the premise that they reflect "base period" costs.

Therefore, proposed § 212.165(b) (3) would establish that, in the case of a new plant with respect to which the gas processor separately aggregates costs, the May 1973 processing costs for such plant will be the weighted average processing costs experienced by the firm in May 1973 with respect to all plants which were then in existence and in which (or in the production from which) the firm in question then had an interest. The FEA believes that this would represent the fairest method of establishing imputed May 1973 processing costs for new plants.

It should be noted that the foregoing requirement would apply only where the gas processor aggregates increased processing costs separately with respect to a new plant or group of new plants. It would not apply where aggregation includes an "old" plant, since the experience in the "old" plant would provide a "per unit" processing cost for May 1973. It should also be noted that the requirement could not apply in a case in which a gas processor experienced no May 1973 costs, either because the gas processor was not in existence or because the gas processor had not yet begun to process natural gas to derive NGLs or NGL products. (Issues pertaining to "new" processors are discussed in section III., below.)

(d) *Accounting for Extraordinary or Irregular Costs.* Proposed § 212.165(c) (2), like the recent rulemaking regard-

ing Subpart E non-product costs, proposes to require the proration (spreading out) of costs which are irregular or extraordinary. Such costs would include annual taxes and extraordinary maintenance (such as that involving unusual shut-downs), and any other item of cost which is paid or incurred less frequently than monthly. Such costs would also include those paid or incurred each month but in significantly different amounts independent of variations in the amount of production.

The purpose of this proposed requirement is to prevent sudden inflation in prices of NGLs and NGL products as a result of irregular costs which cannot reasonably be ascribed in their entirety to operation of the gas plant in the month in which they are actually paid or incurred.

If the firm has, under generally accepted accounting practices historically and consistently applied by it, accrued or prorated such costs over the appropriate period, the FEA generally proposes to permit it to continue to do so. However, if the firm has not historically prorated such costs over an appropriate period, the FEA proposes to require that these costs be annualized, i.e., spread over a twelve-month period. The purpose of the annualization requirement, as opposed to a requirement to prorate costs over an "appropriate period," is to provide a degree of certainty for gas processors that have not historically prorated such costs, and to prevent the possibility of dispute in such cases concerning what the appropriate period is. However, in recognition of the fact that some small gas processors may have a requirement to recover unusually high costs on a faster basis, the FEA proposes to permit the twelve-month period to begin up to six months prior to the month in which the costs were incurred. This would have the effect of creating an instant "bank" of costs which could, subject to the limitations regarding banking, be recovered in the current month or in ensuing months.

It should be noted that, with respect to May 1973 ("base period") costs, if extraordinary or irregular costs are not accounted for (under generally accepted accounting practices historically and consistently applied by the firm) as having been incurred over the appropriate period, they must be treated as having been incurred over the entire fiscal year of the firm of which May 1973 was a part.

Commenters are requested to assess the adequacy of the proposed treatment of extraordinary or irregular costs. In particular, comments are requested concerning whether the requirement to "annualize" extraordinary or irregular costs is practicable, or whether the FEA should simply require that such costs be prorated over the "appropriate period" to which they apply. Commenters should bear in mind that, notwithstanding any annualization requirement, under proposed § 212.165(c) (1) those "costs" which are actually capital investments may not be annualized but must be depreciated over their useful life.

The FEA recognizes that the NGL and NGL product market has been such that prices have been subject to wide geographic and seasonal variations, resulting in some cases in an inability to pass through all increased costs at particular times even though permitted under the regulations. This is a major reason that the FEA is proposing to permit the "banking" of increased processing costs, as discussed below. The FEA also requests comments upon whether the nature and extent of these variations is such that gas processors should be permitted to recover extraordinary costs on an "as incurred" basis, when the market would otherwise permit. However, the FEA has tentatively concluded that such costs should be subject to the modified proration requirement proposed herein, particularly in view of the authority to bank all increased costs.

(e) "Banking" of Increased Processing Costs. Present Subpart K has no express provisions for the banking of processing costs, although it has a general provision (§ 212.167(f)) for banking increased product costs. The FEA proposes to provide for the banking of all increased costs, product, processing and marketing, subject to certain limitations on the recovery of such banked costs designed to prevent severe and sudden price increases in any single month. In conjunction with the new provision for banking, the FEA is also proposing a mechanism for correcting for the prior overrecovery of increased costs. Because these provisions concerning unrecovered and over-recovered increased costs are applicable to all increased costs, they are discussed separately in section IIC., below.

B. INCREASING MARKETING COSTS; APPLICATION OF SUBPART K TO MARKETING OPERATIONS OF GAS PROCESSORS

1. *Background.* Present Subpart K does not expressly treat the subject of increased marketing costs. The provision for increased non-product costs (present § 212.165) applies to costs which are "attributable to gas plant operations," leaving open the question of whether the costs of marketing NGLs and NGL products in gas plants may be included as costs "attributable to gas plant operations" or whether allowable non-product costs are restricted to costs incurred in the processing of natural gas. Evidently, gas processors have had different interpretations concerning the allowability of increased marketing costs under present § 212.165. Some have claimed and recovered such costs on their own, subject to the present ceiling of § 212.165, and in addition they and others have sought exceptions relief based upon increases in such costs together with increases in processing costs. Where these increased costs have been claimed and were cost-justified, FEA auditors and the Office of Exceptions and Appeals have allowed such costs. Others, however, have apparently proceeded on the basis that increased marketing costs are not covered by § 212.165, and have not claimed such costs thereunder.

Among those gas processors that have not claimed such costs under § 212.165,

this situation has apparently presented no particular issue for integrated gas processors that engage in extended marketing operations and also refine crude oil, perhaps because at least some of them have treated Subpart E as permitting the limited recovery of increased marketing costs, at least with respect to propane. Nor does it appear to have raised any significant issue with respect to propane resellers that are not also gas processors, since Subpart F has provided for a similarly limited recovery of such propane marketing costs. Finally, this situation does not appear to have raised significant issues with respect to gas processors that do not engage in extended marketing operations, although treating § 212.165 as not applicable to marketing costs might have had the effect of preventing pass-throughs of increased costs incurred by the processor for transporting NGLs and NGL products to the purchaser.

However, the situation described has raised the issue of whether integrated gas processors that engage (through separate subsidiaries) in extended marketing operations and do not also refine crude oil are governed exclusively by Subpart K or are governed (as to their marketing operations) by Subpart F.

The FEA is giving careful study to the proper resolution of this matter under the current regulations. However, the existence of this issue has led the FEA tentatively to conclude that, as a matter of prospective policy and without prejudice to the proper resolution of this issue under the current regulations, Subpart K should be amended to make clear that it does govern the marketing operations of gas processors that do not refine crude oil, regardless of whether such marketing operations are conducted directly or through separate corporate entities. The FEA is also proposing to amend Subpart K to provide specifically for increased costs of marketing NGL products (propane, butane and natural gasoline), with the intention that such costs would be recoverable substantially as provided for resellers under Subpart F. The FEA has tentatively concluded that, as a matter of prospective policy, the marketing operations of gas processors (large or small) should be given general parity of treatment with those of NGL product resellers under Subpart F. This implies permitting the pass-through of certain increased marketing costs, while preventing the pass-through of "cost" increases which merely reflect intrafirm product transfers.

2. *Proposed Amendments.* The proposed amendments addressing the above issues are intended to accomplish essentially two things. First, amendments to § 212.161(a), pertaining to the applicability of Subpart K, and to § 212.162, containing definitions for Subpart K, would make clear that Subpart K applies to all operations of a "firm," which term includes all controlled entities, and that Subpart F does not apply to marketing entities of gas processors except where such entities meet the tests of § 212.91 (regarding the applicability of Subpart F). Under § 212.91, a marketing entity

may be treated as a separate reseller subject to Subpart F in lieu of Subpart K only where such entity (i) does not purchase more than 5% of its products from an affiliated entity and (ii) has historically and consistently exercised exclusive price authority over its sales.

Second, a proposed new § 212.166, providing for the passthrough of increased costs of marketing propane, butane and natural gasoline in sales of such NGL products, would be added to Subpart K. This should in large measure remove the practical economic problems involved in the question of whether Subpart K or Subpart F is applicable, by permitting the passthrough of actual increased marketing costs attributable to NGL products which are incurred by the "firm." The proposed § 212.166 would of course be applicable to all properly characterized marketing activities of all gas processors that do not also refine crude oil, whether such marketing activities are far-flung or limited and whether conducted through subsidiaries or otherwise. Furthermore, increased marketing costs would be sharply distinguished from processing costs. Such processing costs would now be clearly limited to those which are incurred in connection with the operation of gas plants as such, and would not include costs attributable to the movement of products to purchasers.

In developing § 212.166, the FEA has sought to parallel roughly the provisions of Subpart F as they pertain to marketing costs. In this connection, the FEA has recently issued a notice of final rulemaking under Subpart F (42 FR 22131, April 25, 1977) to permit propane (and butane and natural gasoline) resellers to pass through their actual increased costs of marketing such NGL products, without regard to the prior ceilings on such passthroughs under Subpart F. (In addition to removing the prior ceilings on resellers' ability to pass through increased costs in the prices of propane, the Subpart F rulemaking establishes a new rule in permitting butane and natural gasoline resellers to recover such increased costs. Prior to the recent amendments, among NGL products only propane prices could reflect such passthroughs.) In addition, in that notice the FEA has established a rule permitting the banking of increased marketing costs by resellers and retailers. Because the costs incurred by gas processors with respect to their marketing operations would appear to be generically similar to those incurred by NGL resellers, the FEA proposes that Subpart K would generally parallel the appropriate provisions of Subpart F (as such provisions have been amended).

Thus, under the proposed § 212.166, natural gas processors could pass through actual increased marketing costs attributable to marketing of NGL products, without any specific ceilings thereon. Such increased marketing costs could be banked for future recovery, without regard to the limitations which are provided in proposed § 212.169 (discussed in section II.C.) for banked increased product and processing costs. Allowable mar-

keting costs are defined substantially as provided in Subpart F (as amended), and include labor, utility, interest, certain tax, maintenance, depreciation, and certain overhead costs. (See text of proposed § 212.166(b)(2).)

The FEA also proposes to permit increased marketing costs, as distinguished from increased product and processing costs, to be aggregated on a "separate inventory" basis rather than on a firm-wide basis, if a firm has, pursuant to generally accepted accounting practices historically and consistently applied by it, maintained such separate inventories. It should be noted that, as proposed, firms may aggregate only increased marketing costs on the basis of separate inventories, not increased processing costs or increased product costs. The reason for this is to permit only a limited exception, with respect to costs of marketing (which are likely to consist substantially of increased transportation costs), to the basic rule requiring equal application of increased costs among classes of purchaser.

The FEA requests comments concerning the practicability and utility of recognizing separate inventories for purposes of increased marketing cost passthroughs. The FEA recognizes that permitting only increased marketing costs to be aggregated on an "inventory" basis, while permitting aggregation of increased product and processing costs on a "plant" or "stream" basis, may add complexity to increased cost allocation calculations. Therefore, comments are requested as to whether such increased marketing costs should be required to be calculated on a firm-wide basis. The FEA also requests comments regarding the appropriateness and feasibility of permitting separate inventory pricing with respect to increased product and processing costs. An alternative which the FEA also wishes to consider is one in which increased costs of purchased products (one type of increased product costs) and increased transportation costs (one type of increased marketing cost) are permitted to be aggregated on an "inventory" basis, while other increased costs are aggregated on either a "plant" or "stream" or firm-wide basis. The FEA wishes to be as responsive as possible to present cost realities, while avoiding undue hardship to particular regions and classes of purchaser, and requests commenters' views on the most rational means to accomplish those ends.

In the rulemaking regarding Subpart F NGL products resellers, the FEA has retained the "standardized mark-up" of a specified number of cents per gallon, presently contained in § 212.93(b)(4), as an option for small resellers (i.e., those with sales of less than 5 million gallons of NGL products in the preceding year). The reasons for this treatment are essentially administrative, reflecting the frequently unsophisticated accounting systems of small resellers and the lack of sufficient compliance resources within FEA to audit all of the great many small resellers. Such an option is not contained in the proposed § 212.166, for two reasons. First, the major use of the new provisions for

increased marketing cost will undoubtedly be by those gas processors that engage in extensive marketing operations, and that should therefore have reasonably sophisticated accounting systems. Second, the purely marketing operations of other gas processors are believed to be relatively small, with the result that a standardized mark-up in amounts equal to those in present § 212.93(b)(4) may be misleading in suggesting that purely marketing costs (as distinguished from processing costs attributable to gas plant operations) would generally approximate the stated amounts. However, the FEA requests comments regarding whether such an option should be provided to gas processors.

The FEA requests comments regarding its proposed approach of attempting generally to parallel Subpart F in regards to marketing costs. Commenters who believe that these rules are inappropriate as applied to gas processors should specify in what respects gas processors are fundamentally differently situated than resellers as regards marketing operations, and the relevance of these differences for different marketing cost rules. Comments are also solicited with respect to the appropriateness of applying Subpart F rules rather than Subpart E rules regarding increased marketing costs.

Commenters should take note of the fact that, as indicated previously, increased costs of transporting NGLs and NGL products from gas plants to depots, NGL products from gas plants to depots, retail outlets or purchasers would be treated as increased marketing costs, and not as increased processing costs. On the other hand, costs of transporting NGLs from an extraction facility to a fractionation facility would be treated as processing costs in the "overhead" category.

The FEA proposes that gas processors that also refine crude oil would not be subject to the provisions of proposed § 212.166 (pertaining to calculation of increased marketing costs), but would calculate increased marketing costs pursuant to Subpart E instead. Since it is FEA's understanding that such refiners frequently commingle NGL products derived from natural gas with those derived from crude oil and market them in the same fashion, it appears that similar marketing cost treatment for all products of a refiner is warranted. However, comments are requested regarding whether crude oil refiners' increased costs of marketing NGL products derived from natural gas should be governed by Subpart K (proposed § 212.166) rather than Subpart E.

C. BANKING OF INCREASED COSTS; CORRECTIONS FOR OVERRECOVERY OF INCREASED COSTS

1. *Background.* In preceding sections, it has been noted that Subpart K does not presently provide for the "banking" of unrecovered increased non-product costs. As indicated previously, the FEA proposes to provide for the banking of increased processing and marketing costs.

Subpart K (§ 212.167(f)) presently provides for the banking of increased product costs. As originally promulgated (39 FR 44407, December 24, 1974), present § 212.167(f) provided that increased product costs not recovered in the current month may be carried forward for recovery in a subsequent month. It also provided that any excessive current recoveries were required to be deducted from increased product costs available for recovery in the following month.

The original provision for the carry-forward of unrecovered increased product costs remains substantially intact in present § 212.167(f). However, in 41 FR 24110 (June 15, 1976), the provision requiring corrections for prior overrecoveries was deleted. As indicated in the notice of proposed rulemaking in that proceeding (40 FR 49105, October 21, 1975), such deletion was part of an effort to permit the allocation of increased product costs to propane on an annual basis, rather than on a monthly basis. However, its deletion was not intended to abrogate the general rule that overrecoveries of total increased product costs must be compensated for.

It should be noted that the requirement to correct for prior net overrecoveries of any increased costs is implicit in the present regulatory provisions, inasmuch as the provisions permitting recovery of increased costs are limited exceptions to the general rule of § 212.163, prohibiting prices in excess of their May 15, 1973 levels. It would be contrary to the intent and entire structure of the price regulations, based upon a "dollar-for-dollar" principle of increased cost passthroughs, to permit sellers to retain prior net overrecoveries. Thus, a requirement to compensate for overrecoveries is implicit in the regulations and exists even without any express provision therefor.

However, in order to make clear that such a requirement exists, and also to provide a specific mechanism for the banking of all increased costs and for corrections for prior overrecoveries of such costs, the FEA proposes to add a new § 212.169, dealing with the banking of all increased costs. In connection with this new provision, the FEA proposes to delete present § 212.167(f) (renumbered § 212.168(f) under this proposal), and to apply the same general rules for banking and corrections for overrecovery of increased product costs as would be applicable to increased processing and marketing costs.

2. *Proposed Amendments.* The FEA proposes to add a new § 212.169, providing for the banking and carrying forward of all unrecovered increased costs, and also providing an express requirement and mechanism for compensating for any overrecoveries of increased costs. The FEA also proposes to delete paragraph (f) of present § 212.167 (renumbered § 212.168 under this proposal).

Proposed § 212.169 would provide general authority for the carrying forward of all unrecovered increased costs, product, processing and marketing. It would provide in effect that separate banks be

established for each "cost center," i.e., for each center with respect to which the firm aggregates its increased costs. Thus, for example, it would require a separate bank of unrecovered increased product and processing costs incurred with respect to a particular plant or gas stream, if the firm calculates and aggregates its current increased costs on that basis. Similarly, unrecovered increased marketing costs would be required to be banked with respect to the inventory with respect to which such costs were incurred, if the firm calculates increased marketing costs on a separate inventory basis. Such banks would be available for application only in the prices of NGLs and NGL products from that plant or in that inventory. Further, unrecovered increased costs in any bank could be allocated among products and classes of purchaser with respect to that cost center only in accordance with the applicable provisions for the allocation of current increased costs. Thus, for example, the application of banked increased costs would be subject to the special propane rule contained in present § 212.167(c).

The carry-forward and application of increased product and processing costs in any bank which are unrecovered two or more months after they first could have been recovered as "current" increased costs would be subject to substantially the same limitations on the recovery of such banked costs as are provided under Subpart E for crude oil refiners. That is, costs which are two or more months old could be passed through in current prices only in an amount which does not exceed the greater of (1) 10% of the largest amount of costs in the two-month-old bank in any month or (2) an amount which results in an increase of not more than 10% in the price at which at least 25% of the product concerned was lawfully priced in the preceding month. With respect to banked increased marketing costs, however, there would be no carry-forward limitations, a result which parallels the increased marketing cost banking provisions of Subpart F.

Also proposed is an "order of recovery" provision for current and banked increased product and processing costs, which would establish the order in which old and new increased costs are deemed to have been recovered.

Also proposed is a provision providing a mechanism for the adjustment of prices to correct for any prior overrecoveries of increased costs. Prices would be required to be adjusted (by a reduction in May 15, 1973 selling prices) for those products, cost centers, or classes of purchaser with respect to which such overrecoveries occurred, not later than the third month following such overrecoveries. (However, the proper allocation of increased costs to propane would be determined pursuant to the "twelve-month" rule provided under present § 212.167(c).)

The FEA recognizes that NGLs and NGL products are subject to unusual seasonal demand fluctuation, with corresponding price fluctuations, and that a provision for banking of unrecovered

increased processing and marketing costs should therefore be provided. Moreover, in light of such unusual variations, the Subpart E limitations on recovery of banked costs may not be fully responsive to NGL market patterns. (The FEA is also aware that, by providing a limitation on the passthrough of certain "old" increased product and processing costs, it is imposing a requirement that gas processors establish records not only with respect to separate banks but also with respect to separate months within banks; and it will consider the recordkeeping burden in determining whether to impose limitations on the application of banked costs.) However, the limitations upon the recovery of banked product and processing costs are restricted to costs which are two or more months old, and are intended to provide some measure of price stability in periods and markets experiencing unusually short supply or high demand. The passthrough of such "old" increased product and processing costs is not prohibited, but is only limited to avoid severe and sudden price increases. Finally, under the proposed provisions for "automatic" passthrough of current processing and marketing cost increases, gas processors would no longer experience the time lag between the incurrence of such costs and the opportunity to recover them which occurs under the present exceptions approach. Accordingly, the FEA presently believes that the banking provisions will provide substantial ability to meet increases in demand with higher passthroughs. However, comments are solicited on the adequacy of the banking provisions under NGL market patterns.

It should be noted that, although the banking provisions of proposed § 212.169 generally parallel (with respect to increased product and processing costs) the provisions of Subpart E, gas processors that also refine crude oil are not governed by Subpart K, but rather by Subpart E, with respect to banking provisions. Since banking provisions relate not to the calculation of increased costs, but rather to their recovery, under present § 212.161(b) crude oil refiners are not governed by the banking provisions of Subpart K.

III. OTHER ISSUES REGARDING THE OPERATION OF SUBPART K

As stated at the outset of this Notice, the FEA has identified several issues pertaining to present Subpart K which, while not the subject of specific proposals herein, may require regulatory treatment. These issues are enumerated and discussed briefly below. As also stated at the outset of this Notice, the FEA also invites the identification of and comment upon other issues pertaining to present Subpart K.

A. *Limitations Upon Net-back Obligations of Gas Processors.* The FEA has received a number of requests to provide some means to prevent net-back payees from receiving or demanding net-back payments which have been characterized by gas processors as excessive.

As the FEA understands it, a typical situation is as follows. Under long-term net-back agreements, the net-back payee is entitled to a percentage of revenues from the sale of NGL products derived from its gas or NGL stream. The revenues to which the net-back percentage is applied are measured under the agreement by the sales price of the products. Prior to the imposition of price controls on such sales, processed products could be costed differently than products which were purchased and held for resale, so that net-back payments could reflect such separate costing. (Or, in any event, the gas processor could adjust its mark-up to account for increased net-back payments.) Under Subpart K, however, a gas processor is required to limit its first sale price to the *weighted average* May 15, 1973 price to its various classes of purchaser, plus no more than an amount necessary to recover (among other costs) increased product costs which include product costs attributable to processed and purchased products. While the costs of natural gas shrinkage may be aggregated on a less than firm-wide basis, and allocated to the prices of products derived from a particular stream or plant under present § 212.167 (b), there is no similar provision for separate aggregation of increased costs of purchased products. Since (it is claimed) increased product costs of purchased products have substantially outstripped those for processed products, the result is that gas processors must increase the first sale price of processed products to reflect the increased cost of purchased products, or forego recovery of a substantial amount of such increased costs altogether; but if the net-back payment is based upon such actual first sale prices, the gas processor may in effect be required to remit a portion of its recovery to the net-back payee, notwithstanding that the costs being recovered have no relation to the cost involved in the processing of the net-back payee's gas or NGL stream.

It should also be noted that a similar result would obtain with respect to other than product cost increases, if increased processing costs and/or increased marketing costs are required to be aggregated on a firm-wide basis, or are otherwise required to be aggregated with each other.

Yet another potential problem is said to exist with respect to the impact of increased processing costs upon gas processors' net-back obligations. For example, the net-back payee's natural gas or NGL stream may be processed at a processing plant which has experienced increased processing costs. These increased processing costs may of course be added to May 15, 1973 prices for the products, but in doing so the gas processor will be increasing the amount of its net-back obligation (where such obligation is based on the selling price of the products). However, since the gas processor may not increase its prices on a greater than dollar-for-dollar basis to reflect its increased costs (exclusive of increased

net-back payments), the result may be that it is required to share a portion of its cost recovery with the net-back payee that has not incurred the cost. (Of course, whether this situation in fact obtains is also dependent upon whether the gas processor is reimbursed by the net-back payee in the form of processing fee payments.)

Gas processors have therefore urged that the FEA adopt some system of imputed "plant gate" prices, permit the maintenance of separate cost pools for processed and purchased products, establish separate inventory rules and/or specifically provide for the exclusion of certain cost recoveries from the calculation of sales prices for purposes of determining net-back obligations. It has been contended that failure to do so would constitute a violation of statutory requirements to permit dollar-for-dollar pass-throughs of increased costs.

The FEA does not necessarily agree that a failure specifically to limit net-back payments would constitute a violation of statutory requirements. Insofar as such a pass-through requirement is applicable, the FEA believes that its statutory duties will have been met by permitting the pass-through, in the first sale price, of increased costs actually incurred by gas processors. (On the other hand, the FEA has clearly stated that increased cost attributable to increased net-back payments must not be permitted to further increase first sale prices, since otherwise there would be an endless chain of increases in first sale prices. See § 212.166(d) and 40 FR 39850 (August 29, 1975).) Moreover, the FEA has in the past been reluctant to intervene in net-back relationships, except to assure that such dealings do not result under the price regulations in unintended increases in the first sale price or in unacceptable distortions between independent gas processors and crude oil refiners that process natural gas as regards supplies of natural gas. Finally, a complete resolution of these issues may in part be a function of the proper interpretation of the net-back contract under all of the pertinent circumstances, and the FEA is of course not in a position authoritatively to construe the meaning of contracts between private parties.

Nevertheless, the FEA will be receptive to comments and suggestions regarding ways (if any) in which it can properly alter its current regulations to prevent unjustified "windfalls," if such they are, to net-back interests. The FEA requests that net-back payees comment upon these issues, to assure that the FEA has the benefit of their views on the matter.

In commenting upon these issues, commenters should consider the possible effects of permitting increased marketing costs to be allocated on the basis of separate inventories, as proposed herein. Commenters should also discuss their position with respect to the increased product cost aggregation provisions of present § 212.167(b), and their relationship to increased costs of purchased products. Commenters should also consider and discuss the relationships of all

of these provisions with the class of purchaser provisions of Subpart K. Finally, where the problem exists with respect to gas processors that also refine crude oil, the relationship of all of the above considerations to cognate Subpart E provisions (if any) should be addressed.

Commenters should also examine and discuss the possible mechanics of implementing any change to the regulations to limit gas processors' net-back obligations. As indicated previously, informal suggestions have included the use of imputed "plant gate" prices, the maintenance of separate cost pools for processed and purchased products, the establishment of separate inventories, and/or the adoption of a rule specifically excluding (for purposes of net-back calculations) certain cost recoveries from the calculation of the relevant sales price.

An imputed "plant gate" price would presumably reflect a value for the product at the outlet of a given plant, and would exclude increased marketing costs and all product and processing costs not attributable to products produced at that plant. However, it would include the increased product and processing costs attributable to those products, at least in the absence of a provision specifically excluding them; and the gas processor would therefore presumably remain liable to make net-back payments on the basis of a value which reflects such increased costs.

Commenters should be cognizant of the fact that maintenance of separate cost pools for purchased products is not a solution which the FEA presently favors. Where legitimate separate inventories exist, it may be possible to allocate costs on that basis. (However, this may be a complicated effort, and a change in present concepts which would result in drastic price changes to some purchasers would require adequate justification.) However, where there are no such separate inventories, to permit separate pricing of fungible products based solely on their manner of acquisition by the gas processor would appear to create considerable administrative difficulties in tracing costs, and a potential for destroying the entire class of purchaser concept.

An approach in which certain costs are excluded (for net-back calculation purposes) from the computation of first sale prices would presumably build upon present § 212.169, which already excludes cost of crude oil from such computations. As noted previously, the inclusion of increased processing costs in the first sale price may have the result of permitting net-back payees to receive payments reflecting costs which (although in a sense "attributable" to their products) they did not incur, and conversely of requiring the gas processor to absorb a portion of such increased costs. In fact, it appears that the same logic would be applicable to all allowable increased costs, product, processing or marketing, since the gas processor may in no event increase first sale prices in an amount greater than that necessary to reflect such increased costs on a dollar-for-dollar basis. Thus,

pursuing this logic to its ultimate conclusion would result in the position that net-back interests may not receive greater per gallon revenues than they did on May 15, 1973, except to the extent that the parties have by agreement changed the method for determining the amount of the net-back. In other words, an increase in the first sale price of NGLs or NGL products would not in and of itself result in the increase of net-back payments.

The FEA requests that commenters assess the implications and relative merits of the various possible methods discussed above for limiting gas processors' net-back obligations, as well as the need for any provision imposing limits on such obligations.

B. ALLOCATION OF INCREASED PRODUCT COSTS AMONG FIRMS

Proposed § 212.165, dealing with processing costs, proposes a mechanism for allocating increased processing costs among the various "related entities" which in a sense share such costs. The FEA requests comments as to whether it is feasible to apply a similar mechanism with respect to increased product costs, and if not, suggestions as to feasible methods of accomplishing such an allocation. Conversely, FEA seeks commenters' views on whether the proposed processing cost allocation method (or any method of allocating such costs) is practicable without also providing for similar allocation of increased product costs. If the FEA determines, based upon the response to this issue, that it would be both necessary and feasible to provide a method of allocating product costs on a basis similar to that for processing costs, it may in this rulemaking adopt necessary provisions to accomplish that end.

It would appear that increased product costs attributable to purchased NGL products may be relatively easily traced and allocated among related entities. More difficult is the question of what firm incurs "common" costs attributable either to natural gas shrinkage or to purchased NGLs (which are then fractionated into NGL products). The FEA requests comments on whether it would be feasible to allocate such costs on a volumetric basis (i.e., on the basis of the respective volumes of processed products owned by the related entities), subject to the cost aggregation and allocation provisions of present § 212.167 and subject also to specific provisions for treating inter-firm contract payments in the same manner as proposed herein for processing costs.

C. ADJUSTMENT FOR "UNREPRESENTATIVE" MAY 1973 COSTS AND FIRST SALE PRICES

In enacting Subpart K, the FEA was aware that the use of specific May 1973 costs and prices as the basis from which to compute increased costs and maximum lawful prices was in some degree artificial, in that such costs and prices could have reflected an unusual and atypical situation for a particular gas processor, a situation not representative of the gas processor's prices and costs

over a longer and more representative period of time. It was for this reason, among others, that gas processors were permitted to use the adjusted May 15, 1973 prices provided in present § 212.164 (a) in lieu of their actual May 15, 1973 weighted average first sale prices. (On the other hand, it was also recognized that any system of price controls based upon historic price levels and pass-throughs of increased costs requires the use of some relatively fixed "base period.")

However, the FEA's experience in administering Subpart K (including experience with the "new item" rule of § 212.111, where there are no May 1973 costs or prices for the gas processor concerned and in which costs and prices on the date of the first sale of the item are therefore used) has caused it to consider whether it would be appropriate to provide some means to either require or permit May 1973 costs or prices to be calculated on some other basis than those presently provided, where such costs or prices as presently calculated are anomalous or clearly unrepresentative of the gas processor's experience over a more representative period. The FEA is therefore considering, and requests comments upon, reserving to itself the option to require or permit gas processors to utilize average costs and prices over a longer (e.g., three month or one year) period than is presently provided under Subpart K (or under the "new item" rule of § 212.111).

An example of an "unrepresentative" situation would be one in which there was a substantial shut-down of a plant during the relevant month, with the result that per unit non-product costs for that plant would be extremely high. While the proposed § 212.165 would require any extraordinary or irregular cost to be prorated over an appropriate period of time, many of the costs may simply represent fixed (or ordinary) costs spread over a very small production base. Other examples might include a relatively new plant experiencing high start-up costs, a new plant experiencing low natural gas volume, or distress sales.

As will be seen from the foregoing examples, in some cases it would be to a gas processor's advantage to utilize some sort of alternative averaging process, in order to reduce base period costs and thus raise the amount of increased costs; and in others it would be to its disadvantage, as where base period costs would otherwise be high or base period prices low. However, in both cases there is the common fact (or possibility) that such costs or prices are abnormal and unrepresentative, and the same question as to whether it is appropriate to continue computing maximum lawful prices through a prolonged control period on such an unrepresentative basis.

The FEA requests comments on whether such an alternative method of calculating base period costs and prices would be feasible. The FEA also requests comments on the implications and suggested limitations on the use of such an alternative with respect to the effect of

such an alternative on gas processors' existing price structures. Comments are also requested concerning possible criteria for determining when costs and prices are "unrepresentative."

D. ADJUSTED MAY 15, 1973 NGL PRICES BASED UPON "DISCOUNTS" FROM NGL PRODUCTS PRICES

Present § 212.164(a) permits a seller of NGL products to use a specified number of cents per gallon (\$.085 for propane, \$.09 for butane, and \$.10 for natural gasoline) as its May 15, 1973 first sale prices in lieu of actual May 15, 1973 first sale prices, if such seller so chooses. Ordinarily, the NGL products seller would so choose and has so chosen the specified (adjusted) prices where actual May 15, 1973 prices were less than the amount allowed under § 212.164(a). In an attempt generally to preserve the pricing relationship between the seller of the NGL products and the firm (if any) which sold mixed NGLs to such seller, and in order to permit the NGL seller to share in any price increase resulting from the NGL products seller's use of the adjusted May 15, 1973 price, § 212.164(b) provides that if the NGL price to the NGL products seller on May 15, 1973 represented a discount from the price of NGL products sold on that date, the NGL seller may increase its price to the NGL products seller in an amount reflecting the same percentage discount from the adjusted NGL products price as the actual NGL price was discounted from the actual NGL products price at the NGL products seller's nearest selling point on May 15, 1973.

Although the objectives of § 212.164(b) are believed to be valid, the FEA has been advised of a number of difficulties under that section. The difficulties are both administrative and, according to some NGL sellers, economic in nature. From the administrative standpoint, some NGL sellers have contended that there is substantial uncertainty regarding the proper May 15, 1973 NGL products sales from which to ascertain the amount of the "discount" which existed between NGL prices and NGL products prices on that date. Thus, there is apparently a degree of confusion as to whether the relevant May 15, 1973 NGL products price should be the price of the products derived from the specific mixed NGL stream, regardless of where the stream was fractionated, or whether it should be the NGL products seller's prices at the point nearest the point at which the NGL stream was sold, regardless of whether such products were derived from that stream. There has also apparently been some question as to whether the relevant price may be that of a products seller to whom the NGL seller has made no sales, if in fact that NGL products seller made sales at the point closest to the NGL seller's sales on May 15, 1973. Finally, some questions have been raised as to whether the provisions of § 212.164 (b) may be used to establish an adjusted price for NGLs based upon a single processor's own mark-ups between NGLs and NGL products on May 15, 1973.

Some NGL sellers have also contended that, assuming the proper NGL products sales are identified, they cannot obtain (or be assured that they have accurately obtained) the relevant May 15, 1973 products prices from the products seller. Thus, it is contended either that the information necessary to determine proper prices under § 212.164(b) cannot be obtained or that the use of such information exposes the NGL seller to the risk of errors for which it is not responsible.

From an economic standpoint, some NGL sellers have contended that the provisions of § 212.164(b) are preventing them from obtaining a price which fairly reflects the value of NGLs relative to NGL products. This may be because no adjustment to NGL prices is permitted unless the relevant NGL products prices are permitted to be adjusted under § 212.164(a), and because (in some cases) the relevant May 15, 1973 products prices were above the adjusted levels of § 212.164(a) even though NGL prices were considerably below the adjusted amounts. Or it may be because, even if the products sellers may increase the products prices under § 212.164(a), the use of the actual price differential on May 15, 1973 between the price of those products and the price of the mixed NGLs in determining the adjusted NGL price would perpetuate a pricing relationship which did not even in May 1973 fairly reflect the relative value of NGLs to NGL products. It has been contended, for example, that the May 15, 1973 relationship between prices was not that of a "discount" in the ordinary sense of the word, but rather reflected long-term NGL contract supply price versus NGL product spot market price, or reflected unusual conditions such as distress sales of NGLs.

The FEA is desirous of clarifying and improving the application of § 212.164(b), where necessary and appropriate to avoid difficulties of the type mentioned. It requests comments, from both NGL sellers and NGL products sellers, regarding whether and how § 212.164(b) should be amended to resolve these questions and any other perceived ambiguities surrounding that provision. In commenting on these issues, the following matters should be noted.

First, although the FEA does not necessarily concede that the provisions of present § 212.164(b), when considered in light of their history and purpose, are ambiguous in all of the respects discussed above, it is nevertheless desirous of maximizing clarity and certainty for processors in their application of these provisions. In determining whether and how to alter these provisions, the FEA will carefully consider factors pertaining to ease of application and administration.

With respect to the economic concerns of NGL sellers and NGL products sellers regarding the relative prices of NGLs and NGL products, several factors must be considered. First, § 212.164(b) operates only to permit an NGL seller to increase its NGL price; in no event does it require a reduction of actual May 15,

1973 first sale prices. Nor does it operate to prevent the passthrough of any increased costs. Therefore, § 212.164(b) does not affirmatively create a hardship for NGL sellers that would not be experienced under the general rule of § 212.163, which would ordinarily require holding the May 15, 1973 price at its actual (lower) level. On the other hand, in providing for adjusted NGL products prices in § 212.164(a) it was FEA's intention to mitigate the effects of using specific May 15, 1973 prices to establish a "base period" maximum lawful selling price, where such actual May 15, 1973 selling prices reflected conditions unrepresentative of more normal market conditions. It was FEA's intention, in doing so, to maintain continuing incentives to produce NGL products. Since the necessary first step in the production of NGL products is the extraction of NGLs from the wet gas stream, and since the option to extract or not to extract appears to be more sensitive to economic considerations than the question of whether or not to fractionate mixed NGL streams, there is some force to an argument that the incentive should be directed primarily toward the extractor (NGL seller).

Second, the FEA has tentatively concluded that any change in the provisions of § 212.164(b) should not be permitted to increase the first sale price of NGL products. (Present § 212.166(c) would prevent any such increase in products prices.) Otherwise, the effect would be the same as permitting a further increase in the adjusted May 15, 1973 price for NGL products, above the specified limits of § 212.164(a). The option provided by § 212.164(a) to increase May 15, 1973 prices was an option for a one-time increase only, and only up to the stated limits. In short, the total increase in NGL products prices under § 212.164(a) must be distributed among the NGL seller and the NGL products seller, without further increasing NGL products prices. Therefore, any change to the provisions of § 212.164(b) to permit the NGL seller to increase its price to the NGL product seller would necessarily require the products seller to absorb a "cost" not presently being incurred.

The FEA has identified two alternative possibilities to which it wishes to give consideration and upon which it requests comments, as follows:

1. Establish a fixed adjusted price for NGLs, based upon a certain number of cents per gallon for the propane content, a certain number of cents per gallon for the butane content, and a certain number of cents per gallon for the natural gasoline content. The specified number of cents per gallon would be the price specified for the relevant specific product under § 212.164(a), less an amount which would reasonably reflect the costs of fractionating in May 1973 (plus some margin for the fractionator). The FEA does not have detailed data for establishing the proper reduction but believes that \$.005 per gallon is a generally realistic figure. Thus, in short, § 212.164(b) might be amended to provide that

NGL sellers may use as an adjusted May 15, 1973 price an amount of \$.08 per gallon for propane content, \$.085 per gallon for butane content, and \$.095 per gallon for natural gasoline content.

It should be noted that under this approach the adjusted prices for NGLs could be used regardless of whether or the extent to which the NGL products seller adjusted its May 15, 1973 prices under § 212.164(a). Moreover, such prices would be generally applicable, regardless of the identity or circumstances of the purchaser.

This alternative has the virtue of avoiding uncertainty, and of attempting to establish a realistic relationship between NGL and NGL products value. The FEA is cognizant of the fact that any attempt to provide a generalized price for NGLs in this manner would have differing effects on individual parties, depending upon their specific circumstances. In particular, the FEA is aware that such a generalized approach may substantially cut into current revenues of NGL products sellers, and may in some cases even remove their May 1973 margins altogether. However, insofar as general regulatory treatment is concerned, the question is one of balancing total benefits of this kind of approach against total costs, and the FEA would therefore consider whether the suggested approach is generally reasonable and realistic. The FEA would also consider the possibility of requiring the NGL seller to use a lower adjusted price in those cases in which the use of a specified general price would unreasonably reduce the products seller's margin. Comments are also requested as to the general validity of the \$.005 per gallon figure to reflect actual May 1973 fractionating costs plus a reasonable margin for fractionators.

2. A second possibility is to maintain the present general system of determining May 15, 1973 first sale prices for NGLs, but to specify with greater particularity in § 212.164(b) the reference NGL products prices upon which such NGL prices are to be based. In this connection, the reference to a "discount" might be deleted in its entirety and NGL prices might be based simply upon the objective historical differential existing between actual May 15, 1973 NGL price and the actual May 15, 1973 prices for NGL products derived from that NGL stream (or from the plant in which such stream was fractionated). Also in this connection, the NGL products seller might be required to certify to the NGL seller the weighted average selling price on May 15, 1973 for products produced at the plant at which the NGL stream was fractionated.

The principal reasons for retaining the present general approach of § 212.164(b) would be to avoid the problems identified in attempting to establish a specified adjusted May 15, 1973 price for NGLs, as discussed with respect to the first alternative, above. As noted previously, a major difficulty of adopting a uniform specified figure may be its uneven and unforeseeable impact upon existing specific supply relationships. As also discussed previously, there is no affirmative hard-

ship created by present § 212.164(b) which is not inherent in the general price rule of § 212.163 (requiring that May 15, 1973 prices be held at their actual levels), except to the extent that any uncertainty in the application of § 212.164(b) prevails.

This suggested approach would generally conform to the original intent of § 212.164(b), viz., to permit the NGL seller to share in any increases in May 15, 1973 prices which the NGL products seller enjoys by reason of being permitted to use the adjusted NGL products prices under § 212.164(a). Where the products seller has not used the adjusted price (because the actual price on May 15, 1973 was above the adjusted levels), the NGL seller would be required to use its actual May 15, 1973 price. Moreover, the NGL seller could make the adjustment under § 212.164(b) only for sales of streams to that particular NGL products seller. Section 212.164(b) would not serve as authority for the NGL seller to increase its May 15, 1973 prices generally, regardless of the identity of the purchaser. In short, § 212.164(b) would simply provide for the preservation of a pricing relationship which existed between a specific NGL seller and a specific NGL product seller on May 15, 1973.

In discussing the first alternative above, the FEA has noted certain possible justifications for adopting a uniform adjusted price for NGLs. It has also noted certain potential problems in doing so, the principal one being that of adopting a specified figure which does not unreasonably reduce NGL product sellers' margins or substantially distort existing pricing relationships. The FEA requests that commenters assess the relative benefits and detriments of the various alternative possibilities discussed herein, and that they provide detailed discussion, where feasible, regarding their views as to the implications of each alternative.

E. EXCLUSION OF COSTS ATTRIBUTABLE TO UNCONTROLLED PRODUCTS

When a gas processor processes natural gas or mixed NGLs to derive NGL products (propane, butane and natural gasoline), it also frequently derives from the stream, and either sells or uses, certain products which are not NGL products subject to FEA price controls. The most significant of these uncontrolled products is ethane, but a processor may also sometimes derive and sell other products such as helium, nitrogen, or sulfur. In such cases the question arises whether a portion of the increased product and processing costs which are "common" to both NGL products and uncontrolled products should be allocated to the uncontrolled products and thus removed from the pool of increased costs which may be recovered in NGL product sales.

As a matter of abstract accounting principle, such an allocation of a proportionate share of increased costs to uncontrolled products is logical; and present § 212.167(a) provides a formula for allocating such costs to ethane and

excluding them from costs recoverable in NGL product sales (the "ethane exclusion"). The FEA requests comments concerning the appropriateness and feasibility of providing a similar exclusion for other uncontrolled products.

In particular, the FEA seeks to ascertain whether a provision for the exclusion of such costs can be formulated without creating undue complexity, and whether the economic significance of uncontrolled products (other than ethane) is sufficient to warrant an additional requirement for calculating and excluding costs attributable thereto. The FEA seeks to determine whether the existence of these other uncontrolled products in the gas or NGL stream plays any role in the valuation of such streams, and if so how substantial that role is. It also requests comments concerning whether the amounts of these uncontrolled products present in a stream can be determined and converted (if necessary) to units of measurement which can also be utilized for NGL products and ethane and thus be incorporated into a volumetric formula similar to that of § 212.167(a) for calculating the "ethane exclusion."

In commenting upon these matters, commenters should bear in mind that different uncontrolled products may affect certain costs, such as costs of natural gas shrinkage, in different ways. For example, if such costs are based upon BTU reductions in the residue gas, neither helium nor nitrogen (and possibly not sulfur) would appear to have a substantial effect on such costs. On the other hand, to the extent that such costs are based upon volume (MCF) reductions in the residue gas, helium and nitrogen may have an effect which is relatively easily measurable; but volumetric reductions attributable to sulfur may be less significant or less easily measured.

F. CALCULATION OF INCREASED COSTS OF NATURAL GAS SHRINKAGE

In promulgating Subpart K, the FEA recognized that "increased costs of natural gas shrinkage" are an increased product cost eligible for passthrough in the prices of NGLs and NGL products. Section 212.162 defines "cost of natural gas shrinkage" as follows:

... the reduction in selling price per thousand cubic feet (MCF) of natural gas processed, which is attributable to the reduction in volume or BTU value of the natural gas resulting from the extraction of natural gas liquids, as determined pursuant to the contract in effect at the time for which cost of natural gas shrinkage is being measured, and under which the processed natural gas is sold.

The general purpose of recognizing "shrinkage" costs as a product cost is to compensate, in the prices of the NGLs and NGL products derived from a gas stream, for the reduction in gas sales revenues which results from the extraction of the NGLs.

FEA Ruling 1975-18 details the methods for calculating increased costs of natural gas shrinkage, including methods for calculating the costs of natural gas

shrinkage for each of the periods May 1973 and the current month. In essence, the cost of natural gas shrinkage for any month is the amount derived by multiplying (1) the reduction (in MCF or BTU) in the gas stream resulting from NGL extraction by (2) the selling price per MCF or BTU of the residue gas, and dividing that amount by the amount (in MCF) of inlet or "wet" gas processed. Thus, the cost of natural gas shrinkage for any period is expressed as a certain number of cents per MCF of processed gas. Increased shrinkage costs are the difference in this "per MCF" cost between May 1973 and the current month, multiplied by the MCF amount of gas processed in the current month.

The operation of Ruling 1975-18 and the definition of "cost of natural gas shrinkage" has generated some issues which are discussed below, and upon which the FEA solicits comment.

(1) *Calculations for "New Streams"* under § 212.168. Where a stream of natural gas is now being processed and sold, but had not been processed and sold as of May 1973, it is necessary to establish May 1973 costs of natural gas shrinkage for such gas, in order to calculate increased shrinkage costs for such gas. Present § 212.168 provides one element of the necessary calculation, by providing an imputed May 1973 selling price for the residue gas. However, it does not in terms establish an imputed May 1973 amount of MCF or BTU reduction in the gas stream by reason of extraction of NGLs, nor does it establish an imputed May 1973 volume of gas processed. Under Ruling 1975-18, as discussed above, these elements are necessary for calculating base period shrinkage costs, and thus for determining increased shrinkage costs since that time.

In 40 FR 39850 (August 29, 1975), the FEA noted the absence of such imputed volume figures in § 212.168, and indicated that it would "permit firms to use the current month's processing and extraction statistics in computing the cost of natural gas shrinkage both for the current month, and for the month of May 1973." There is no evidence that the FEA specifically intended that the imputed May 1973 volume figures should be recalculated for each "current month," as distinguished from utilizing the figures for the first "current month" in which the new stream was processed. However, the language quoted above appears to permit shrinkage calculations on a revolving "current month" basis, although it does not prohibit the use of volume figures for the "first" current month.

Under a "revolving current month" approach, in which imputed May 1973 volumes are changed to reflect any changes in current volumes, only variables affecting increased costs of natural gas shrinkage would be (1) the amount by which the current selling price of the residue gas exceeds the imputed May 1973 price as provided in § 212.168 (\$0.23 per MCF or MMBTU, or any lower actual price on the date on which the gas is first sold), and (2)

the actual amount of extraction in the current month. The amount of inlet gas is assumed to have been the same in May 1973 as it is in the current month, so that this element plays no role in calculating increased natural gas shrinkage costs. In addition, the absolute amount of shrinkage in the current month is assumed to have been the same in May 1973, so that in calculating differences in shrinkage costs between May 1973 and the current month this element also plays no role.

The above approach may result in different treatment for new gas streams and gas streams which are not new, beyond that inherent in the use of the specified imputed price of \$212.168 for new streams and the use of actual May 15, 1973, prices in the case of old streams. Thus, if an "old" stream was in fact selling at \$0.23 per MCF or MMBTU on May 15, 1973, and is now selling at a price identical to that of the new stream, it does not necessarily follow that increased shrinkage costs for the old stream would be the same as for the new stream, because the pertinent volume of natural gas processed or of NGLs extracted may be different between the current month and May 1973 for old streams.

For example, if in May 1973, 1,000 MCF of the old stream were processed and reduction resulting from NGL extraction were 100 MCF, May 1973 shrinkage costs would be

$$\frac{100 \times .23}{1,000}$$

or 0.023 cents per inlet MCF. If in the current month 2,000 MCF of wet gas were processed and reduction from NGL extraction were 150 MCF, then (assuming a current price of 0.40 cents per MCF) current shrinkage costs would be

$$\frac{150 \times .40}{2,000}$$

or 0.03 cents per inlet MCF. Increased shrinkage costs would be 0.007 (0.03 - 0.023) per inlet MCF, or a total of \$14 (0.007 x 2,000). For a new stream, however, May 1973 costs would be

$$\frac{150 \times .23}{2,000}$$

or 0.017 cents per MCF, and current costs would be

$$\frac{150 \times .40}{2,000}$$

or .03 cent per MCF, resulting in increased costs of .013 cent per MCF or \$26.00. Note that the result is the same as multiplying $150 \times .17$ (i.e., $.40 - .23$). For old streams, in other words, the result will not be the same as for new streams whenever the proportion of absolute MCF shrinkage to the amount of gas processed is different than in May 1973. In the case of a new stream, however, the increased costs of shrinkage in effect reflect only the absolute current shrinkage multiplied by the difference between the current selling price and the imputed May 15, 1973 price under \$212.168, because the amount of natural gas

processed is assumed to be the same. In other words, the "per MCF" cost of natural gas shrinkage may be different in May 1973 and the current month for old streams, whereas for new streams it is assumed to be identical.

The FEA requests comments regarding whether continued treatment of new streams in the manner described above is appropriate, in light of the different treatment which results for old streams which are generally similarly situated. The FEA requests evaluation concerning whether permitting imputed May 1973 volumes to fluctuate for new streams is consistent with the basic "per MCF" concept for measuring costs of natural gas shrinkage, as elaborated in Ruling 1975-18, or with the general principle of establishing a fixed "base" cost by which increased costs are to be measured. Specifically, the FEA requests comments regarding whether it should adopt a rule requiring the processor of a new stream to use, as its May 1973 volumes for purposes of calculating increased shrinkage costs under Ruling 1975-18, the volumes processed and extracted in the month in which gas from the new stream is first sold.

More generally, these considerations, and the considerations discussed below in connection with "negative shrinkage," raise the question whether increased costs of natural gas shrinkage should be calculated on some basis other than a "per MCF" basis. Possible alternatives are discussed below, in the section pertaining to "negative shrinkage."

(2) *Decreased Costs of Natural Gas Shrinkage ("Negative Shrinkage")*. Occasionally, the "per MCF" basis for measuring cost of natural gas shrinkage has resulted in cases in which current shrinkage costs are less than those for May 1973. This could happen, for example, where the selling price of the residue gas has not increased, or has increased only slightly, and where the amount of NGLs extracted from the natural gas is less, in proportion to the total amount of gas processed, than in May 1973. This could happen even though absolute amounts of NGLs extracted may be greater, and even though the "cost" (lost sales revenues) attributable to each MCF or BTU reduction is greater (by reason of higher current selling prices per MCF or BTU of the residue gas), because such increases may not be sufficient to compensate for the fact that a substantially higher volume of natural gas is being processed. In other words, even though the absolute shrinkage costs may be higher, the "per MCF" amount of shrinkage may be smaller because of the greater amount of inlet gas processed. The result may thus be that shrinkage costs, as calculated under Ruling 1975-18, are less in the current month than in May 1973, even though total reduction in revenues from the sale of residue gas may be greater in the current month than in May 1973.

The FEA requests comments as to the most appropriate method of handling such "negative shrinkage," as well as evaluation of possible alternative meth-

ods of calculating increased shrinkage costs in general, in light of the considerations discussed below.

The FEA did not specifically contemplate the possibility of decreased shrinkage costs in providing for the pass-through of increased shrinkage costs in promulgating Subpart K and Ruling 1975-18. It was generally assumed that costs of shrinkage would either remain generally constant, or would increase because of likely increases in natural gas selling prices. Moreover, the FEA recognized that costs of natural gas shrinkage were not always incurred in their entirety by the sellers of the NGLs or NGL products derived from the gas stream, but were rather incurred in the first instance by the seller or sellers of the residue gas, who may or may not be identical with the NGL and NGL product sellers. However, the FEA determined that the cost of natural gas shrinkage should be treated as a legitimate product cost attributable to NGLs and NGL products, and decided to permit the pass-through of any increases in such costs in such NGLs and NGL products, while leaving to the parties involved the decision as to how such costs would be distributed among themselves. The allowance of such increased costs was in part intended to provide an incentive to remove the NGLs and NGL products from the gas stream, and thus to maximize the supply of such NGLs and NGL products.

The FEA wishes to consider, in light of the above considerations, what purposes would be served by requiring gas processors to continue to calculate shrinkage costs on a "per MCF" basis, and to recognize and pass through any decreases in costs of natural gas shrinkage so calculated, in cases in which absolute reductions in gas sales revenues have increased since May 1973. The FEA seeks comments upon whether it should adopt a provision which would permit alternative methods of calculating shrinkage costs in cases in which absolute gas sales revenue losses resulting from NGL extraction have increased but "per MCF" shrinkage (as presently calculated) has decreased.

One alternative which might be applied would be to eliminate the "per MCF" basis of measurement, and to calculate shrinkage costs for any period on the basis of the absolute reduction in the stream (exclusive of reductions attributable to lease fuel and other uses of the gas which are excluded from the calculations under Ruling 1975-18) multiplied by the unit selling price of the residue gas, and then dividing that amount by the amount of NGLs and NGL products derived from the stream. This would have the general effect of spreading total reduction in sales revenue for the residue gas attributable to NGL extraction (and plant fuel) in that period over the volume of NGLs and/or NGL products derived from that gas during that period. Shrinkage costs would thus be measured on a "per gallon" (of NGL and NGL product) basis, and increased shrinkage costs would be the difference in these

"per gallon" amounts between the current month and the month of May 1973, multiplied by the number of gallons derived in the current month. In contrast to the present "per MCF" approach, this method would permit the gross amount of lost revenue attributable to processing in a given period to be spread over the products produced in that period.

A second alternative is to compute the gross amount of lost revenues in each period, as discussed above, but then to subtract such gross amount for May 1973 from the gross amount for the current month, and then to divide the difference by the NGL and NGL product volume for the current month.

The FEA requests comments concerning whether either of these two alternatives would be appropriate for calculating increased costs of natural gas shrinkage. However, it should be noted that the first alternative above is likely to result in increased shrinkage which is in effect measured solely by the increase in selling prices and the amount of current NGL production, in much the same manner as discussed in the preceding section regarding new streams under § 212.168. This is for the reason that the ratio of MCF (or BTU) reduction in the gas stream to volumes of liquids produced (as distinguished from the volumes of gas processed) is likely to remain constant for the same stream. Thus, there would be no continuing incentive to remove as much of the liquids as possible.

On the other hand, the "per MCF" (of gas processed) basis of measurement has the effect of rewarding efforts to extract a higher proportion of liquids from the same stream. However, the FEA recognizes that there are certain physical limitations on processors' ability to prevent "negative shrinkage," the main one being the possibility that a given stream of natural gas will become less "rich" in liquid content as it gets older (i.e., as gas field reserves are depleted). In such cases the "per MCF" basis for calculating natural gas shrinkage costs may not only provide no positive incentive to extract the liquids, but may actually become a disincentive for the production of liquids. Therefore, it may be appropriate to retain the "per MCF" basis for calculating increased shrinkage costs, for use in those cases in which it will provide an incentive for liquid extraction, but not to permit the use of a "per gallon" basis of measurement as an alternative.

It should also be noted that the second alternative discussed above could in some cases result in "negative shrinkage," even though a higher proportion of available liquids is extracted from the stream. This could happen, for example, where the amount of gas processed in the current month is very small relative to that processed in May 1973, so that gross lost revenue from the sale of the residue gas is smaller than in May 1973 even after accounting for the higher proportion of liquid extraction and higher gas prices. On the other hand, a "per MCF" calculation would take into account the smaller amount of gas processed, and

actually reward the higher extraction rate.

(3) *Natural Gas Shrinkage Where There is No Sale of Residue Gas.* The FEA has been aware that portions of the residue gas from a gas plant may not actually be sold, but may rather be used for other purposes such as plant fuel, lease fuel, or injection gas. In Ruling 1975-18, the FEA addressed these uses of the residue gas, and (with the exception of plant fuel) established that they may not be considered to constitute allowable shrinkage when calculating the increased costs of natural gas shrinkage.

However, both Ruling 1975-18 and the definition of "cost of natural gas shrinkage" in § 212.162 clearly contemplate that the gas which is being processed is the subject of a contract for sale and that in fact a significant portion of the residue gas is being sold under such contract. It is integral to the concept of the cost of natural gas shrinkage under current regulatory provisions that the process of extraction of NGLs from the gas stream must result in the reduction of revenues from the sale of the gas being processed. The general purpose of the regulatory provisions recognizing costs of natural gas shrinkage, and permitting the passthrough of increased costs of natural gas shrinkage in the prices of NGLs and NGL products, is to compensate in such NGL prices for the reduction in revenues from the sale of the processed gas which results from the extraction of the liquids. That the gas being processed is the subject of a contract for sale is therefore essential in order for there to be any costs of natural gas shrinkage; for, if none of the gas being processed is to be sold, then there can by definition be no reduction in sales revenues resulting from the extraction of NGLs from that stream.

The FEA has become aware that, in more than a few instances, gas processors or owners do not in fact sell the residue gas pursuant to any contract. This may be because all of the gas is used for other purposes, such as reinjection. Or it may be because there is no readily available pipeline or other purchaser. In fact, the "recycling" (reinjection) of the gas, without selling it, may be a response to state regulatory requirements prohibiting the "flaring" of associated gas. Whatever the reasons that the residue gas is not sold, the result is that such processors may not reflect any increased shrinkage costs in the prices of their NGLs. The further result is that they are not permitted to increase their NGL prices to the same extent as other processors where the residue gas is sold pursuant to contract. Of course, where the owner of the liquids is also the owner of the residue gas and is thus the entity which would have (but has not) incurred any reduction in gas sales revenues, such different treatment may have substance. However, it may also happen that the owner of all or a part of the liquids has no interest in the gas, and treating such a processor differently than one that is similarly situated except

for the fact that an unrelated gas owner sells the residue gas may reflect a distinction not based upon substantial economic differences.

In addition, it is the FEA's desire to provide continuing incentives to extract liquids from gas streams, even where the residue gas is not sold. In fact, it appears that incentives for removal of liquids, which are then available for sale as fuel, are especially pertinent when the alternative is leaving them in a stream which is not used as fuel.

For the foregoing reasons, the FEA wishes to consider, and seeks comments upon, whether and under what circumstances it should expand the concept of natural gas shrinkage costs to include situations in which the processed gas is not sold pursuant to contract. However, in doing so it will carefully consider whether such an expansion is necessary and appropriate to address the foregoing concerns. For example, it will consider whether an expansion of the shrinkage concept is the most precise and rational way in which to provide further incentives for extraction, if further incentives are required, particularly in view of the fact that increased passthroughs of increased processing costs would now (under the proposals discussed in section II. of this Notice) be permitted and in view of other alternatives such as specific incentive price provisions for new plants. Commenters favoring an expansion of the shrinkage concept should provide specific data demonstrating the need for such a change to respond to present economic circumstances, in lieu of other alternatives for possibly accomplishing the same ends.

Comments are also requested on the most feasible manner of calculating increased costs of natural gas shrinkage in cases where there is no contract for the sale of the specific gas being processed, assuming that shrinkage costs were to be allowed in such cases. One possibility would be to value the residue gas at the most recent national average price for gas sold in interstate commerce, as published by the Federal Power Commission. Or, the gas might be valued at the rates permitted under the Federal Power Commission rate order or opinion which would be applicable if the gas were sold in interstate commerce. Yet another possibility might be to value such gas, and to calculate shrinkage costs, as if the residue gas were sold under the contract or contracts (if any) under which other gas of the producer is sold at the point nearest the processing plant in question.

G. IMPUTED MAY 15, 1973 PRICES AND COSTS UNDER SUBPART K

A wide variety of situations have presented themselves in which it is necessary to establish May 1973 costs and prices for particular NGLs and NGL products, but where the present provisions of Subpart K are silent on the calculation of such costs and prices. Some of these situations are described below, in an effort to highlight certain issues upon which the FEA requests comments.

The FEA requests that commenters describe their practices in resolving these issues under current regulatory provisions, and that suggestions be provided as to how existing provisions can be changed to be both clearer in their application and more responsive to present conditions facing NGL and NGL products producers.

(1) *Gas Processors Not in Existence on May 15, 1973.* Gas processors that were not in existence on May 15, 1973, must have a basis for determining both May 15, 1973 costs and May 15, 1973 maximum lawful prices. In the absence of an express provision pertaining to such costs or prices under Subpart K, the "new item" rule of § 212.111 would ostensibly be applicable. Under § 212.111, the imputed May 15, 1973 selling price (to which increased costs would be added to determine current lawful selling prices) would be the price at which the item is priced in transactions by other refiners selling the same or most nearly comparable item in the same marketing area on the day when the item is first offered for sale by the new gas processor; and the May 1973 costs (for purposes of computing increased costs which may be added to May 1973 prices to determine current lawful selling prices) would be the actual cost to the processor of the item first offered for sale.

However, present § 212.164 provides certain specified May 15, 1973 prices which may be used in lieu of actual May 15, 1973 prices. Section 212.164(a) provides specified prices which would generally be applicable (if the gas processor chooses to apply them) for items first produced by the gas processor after May 15, 1973; and § 212.164(c)-(e) provides higher imputed price for plants constructed or expanded after January 1, 1975. In addition, § 212.168 provides a method (discussed in the preceding section) for calculating increased costs of natural gas shrinkage for a "new stream." However, Subpart K is silent on the question of how to calculate May 1973 costs other than shrinkage costs (i.e., cost of purchased NGLs and NGL products, and non-product costs).

The following issues are presented by this situation:

(a) *Whether the operation of Subpart K, in conjunction with the "new item" rule of § 212.111, provides adequate incentive for the construction of facilities and the undertaking of gas processing operations by new gas processors.*

This issue arises primarily with respect to those who are presently contemplating the construction of their first plant. Since, with the possible exception of shrinkage costs, the May 1973 costs for such processors would be their actual costs of first production, none of the initial costs of construction and operation could be added to May 15, 1973 prices. Therefore, it would be necessary to recover such costs in the imputed May 15, 1973 prices. Theoretically, this could be done through the use of the "incentive" May 15, 1973 prices under § 212.164 (c) and (d) for plants constructed after

January 1, 1975, or through the use of other refiners' current selling prices as the lawful May 15, 1973 price under § 212.111. However, particularly in light of increased construction and other capital costs, these prices may not any longer be a sufficient incentive for developing new plants. (It should be noted that the other refiners' current selling prices may be reflecting the prior existence of price controls, which have limited price increases to those necessary to pass through increased costs, rather than the current market value of the item. Since, as previously discussed in section II, increased depreciation costs have not heretofore been allowed, these prices will generally not reflect any increased construction costs, even if the other refiners have undertaken additional construction, except to the extent that such costs are compensated for by the "incentive" prices of § 212.164(c)-(e).)

The FEA requests comments upon whether additional incentives are necessary and appropriate to encourage the construction of plants by potential new gas processors, and if so the appropriate form and extent of any additional incentives. Commenters favoring additional incentives should provide data to support their recommendations.

In commenting upon this matter, commenters should be cognizant of the fact that the need for additional incentives for new construction is likely to be considered to be limited to construction of a first plant by a new gas processor. Since gas processors that presently own or operate a plant will have had to have been using a May 15, 1973 price and a May 1973 cost figure, they will have a base from which to figure increased costs and current lawful selling prices from new plants.

(b) *Whether gas processors that were not in existence on May 15, 1973 should be permitted to use the imputed May 1973 shrinkage provisions of present § 212.168, and also May 15, 1973 prices as determined under the "new item" rule of § 212.111.*

As previously indicated, the new item rule of § 212.111 generally requires the use of actual costs to the processor on the date on which a new item is first offered for sale, and actual lawful selling prices of other refiners for that item on that date, as May 15, 1973 costs and prices, respectively. The purpose of this requirement is to maintain a generally realistic correlation between "base" prices, which may be charged regardless of specific cost justification, and "base" costs which must be deemed to have been recovered in such base prices. If base costs and prices are not correlated in time, the base price may not accurately reflect the costs which should be assigned to that price, with the result that the base price could be either inadequate or excessive as a starting point for determining lawful current selling prices.

However, if the imputed shrinkage costs for May 1973 calculated pursuant to present § 212.168 are permitted to be used in conjunction with May 15, 1973 prices calculated pursuant to § 212.111,

the basic effect would be a mixing of older (generally lower) costs with newer (generally higher) prices, with the result that imputed May 15, 1973 prices may be too high. Therefore, the FEA is considering adopting a provision which would require the use of actual shrinkage costs in the month in which the item is first offered for sale, rather than the imputed cost under § 212.168, where May 1973 first sale prices are calculated as provided under § 212.111, and permitting the use of imputed shrinkage costs under § 212.168 only where the specified imputed prices under § 212.164 are used.

(2) *Gas processors in existence on May 15, 1973.* Gas processors that were in existence on May 15, 1973 do not present the same problems for determining May 1973 costs and prices as those for gas processors that were not in existence on that date. However, there are issues regarding the appropriate method of calculating such costs and prices for such processors as well. These issues are discussed below.

(a) *Appropriate May 1973 Costs and Prices for NGL or NGL Products which were not Purchased, Processed and/or Sold on May 15, 1973, and which had not been Purchased, Processed and/or Sold Prior to May 15, 1973.*

A gas processor may have been in operation as such on May 15, 1973, but may not as yet have sold certain products or incurred certain costs. For example, a processor on and before May 15, 1973 may have been engaged only in the extraction of mixed NGLs, and subsequently have expanded to include the fractionation of NGLs into one or more NGL products. As another example, the processor may not have purchased any NGLs or NGL products prior to May 15, 1973, but may subsequently have begun doing so. In these cases, it is necessary to establish the applicable May 1973 prices and/or costs.

The FEA requests comments concerning the appropriate treatment of May 1973 costs and prices in cases of the type mentioned. With respect to the first example given above, for instance, it may be appropriate to require use of the May 15, 1973 NGL costs and prices (or the specified imputed prices of § 212.164 for the NGL products as well, at least to the extent that such NGL products are derived from the same cost center (i.e., plant or groups of plants) from which the NGLs were derived. This would probably result in a lower imputed May 15, 1973 price for NGL products than that at which such products would actually have sold on May 15, 1973; but this effect would tend to be cancelled out by lower May 1973 costs than would have been experienced for such items. On the other hand, actual costs and other refiners' prices on the day on which the item was first sold, in the manner provided under § 212.111 for new refiners, may be appropriate.

With respect to the second example, it may be appropriate to treat May 15, 1973 costs of purchased products as equal to May 15, 1973 costs attributable to the processing of the same product.

This treatment may be justified on the theory that any different cost for purchased NGLs or NGL products would have been reflected in a higher or lower May 15, 1973 average price for the product in question, so that any variance between imputed costs and likely actual costs would be "absorbed" in or compensated for by the actual May 15, 1973 price.

The FEA requests comments on the appropriate handling in these situations.

(b) *May 1963 Costs (or Prices) for Costs Not Incurred (or Items Not Sold) on May 15, 1973, but which had previously been incurred or sold by the Gas Processor.*

Where the gas processor did not sell a particular item on May 15, 1973, but previously sold such an item, there is at least some pre-May 15, 1973 historical price for the item. The same is true for determining the May 1973 cost for any category of cost which was not incurred in May 1973 but which had previously been incurred.

In such cases, the most feasible and realistic method of establishing May 15, 1973 prices or costs may be to apply the prices or costs experienced on the most recent date or in the most recent month preceding May 15, 1973, in which the item was sold or the cost was incurred. Whether such prices and costs are realistic will depend, of course, upon the "normality" of the transactions or operations with respect to which they were experienced on the prior date, and the length of time between those prior transactions and May 15, 1973. However, such an approach appears to FEA to be sound in general. It would generally parallel similar provisions under Subpart E.

Comments are requested upon whether the FEA should specifically so provide for these situations in Subpart K. Comments are also requested concerning the appropriate handling of situations in which the costs or prices established in the foregoing manner would be unrepresentative. As indicated elsewhere in this Notice, the FEA is considering the possibility of requiring or permitting the averaging of costs and prices over a longer period where a single day's prices or a single month's costs are considered to be unrepresentative. Also, where the relevant costs or prices are derived from a date substantially prior to May 1973, it may be appropriate to provide that such costs and prices be escalated a certain percentage (to reflect historic trends) for each month between the date on which such costs or prices were experienced and May 1973. An alternative to either of these possibilities is to apply the general approach, discussed in the immediately preceding subsection, of considering the prices and/or costs to be equal to those actually experienced for other items or cost categories on May 15, 1973.

The FEA requests comments upon the feasibility of incorporating some one or more of these alternatives in Subpart K.

H. DEFINITION OF A "GAS PLANT," OR OF "COSTS ATTRIBUTABLE TO GAS PLANT OPERATIONS," FOR PURPOSES OF COMPUTING PROCESSING COSTS AND DETERMINING ADJUSTED MAY 15, 1973 PRICES.

The FEA has received a number of informal requests to provide a more specific definition of what constitutes a "gas plant" within the meaning of Subpart K. It has been related that the question is important for at least two reasons. First, present § 212.165 (and the proposed new § 212.165) provide for the passthrough of increased costs which are generally limited to those "attributable to gas plant operations." Second, present § 212.164(e) provides for increased adjusted May 15, 1973 prices in cases of post-January 1, 1975 expansions of gas plants where additional capital expenditures equal at least 50% of the original cost of the "plant"; and for this purpose it is necessary to determine the original (cost) components constituting the "plant." (In addition, some have claimed that such a definition is necessary in order to establish "inlet" gas volumes for purposes of measuring natural gas shrinkage. However, the FEA presently believes that the criteria established in Ruling 1975-18, which distinguishes condensate (including plant condensate) and mechanical separation from non-mechanical separation of liquids, should be adequate to avoid any uncertainty.)

The question is perhaps of its greatest economic importance with respect to lease gathering facilities and the lines (including compression stations) connecting these facilities to the actual physical plant at which the gas is processed. The FEA has, for administrative purposes, considered these facilities not to be a part of the "plant," for two reasons. First, the physical reality is that they are not a part of the "plant" facility itself, and are not an integral part of the actual processing operation (extraction and/or fractionation) as such. Thus, they generally would not appear to fall within the definition of "gas plant" presently set forth in § 212.162. There a "gas plant" is defined as

... a facility in which natural gas liquids are separated from natural gas, or in which natural gas liquids are fractionated or otherwise separated into natural gas liquid products, or both.

Second, the gathering lines typically serve an obvious purpose other than (or in addition to) processing, viz., transportation of the gas stream itself.

The FEA recognizes that there may be factual variations under which considering these gathering lines to be a part of the processing operations may be appropriate. For example, the plant and its connecting lines may be "off-line" with respect to the gas seller's pipeline. Or, the gathering lines may be owned or financed by a processor that has no interest in the residue gas. In such cases, it may be appropriate to permit these costs to be treated as allowable processing costs. Also, the FEA is aware that the construction of gathering lines may involve substantial expenditures, and that

in appropriate cases it may be desirable to permit the incentive price of § 212.164 (e) or the passthrough of increased costs of depreciation associated with these facilities, in order to provide adequate incentives to remove the liquids from the gas stream.

Accordingly, the FEA requests comments as to whether an amended, more specific definition of the term "gas plant" would promote clarity, and if so, whether and under what circumstances gathering lines should be considered to be a part of the plant. Also, in light of the FEA's purpose to clearly distinguish between processing costs attributable to gas plant operations and marketing costs, commenters are requested to provide suggestions as to the appropriate delimitations of the "plant" on the "outlet" end of the plant.

An alternative method of permitting increased costs associated with gathering facilities to be incorporated in NGL and NGL product prices might be to consider these costs as costs attributable to the transportation of a "feedstock" into the gas plant, and thus as increased product costs, in a manner analogous to the handling of "costs of crude oil" under Subpart E. (Where these costs are incurred with respect to bringing purchased NGLs and NGL products into a gas plant or into inventory, it would appear that present § 212.166, which recognizes increased costs of purchased NGLs and NGL products as an increased product cost, would permit such treatment. However, Subpart K does not specifically recognize increased costs of purchased gas as increased product cost; the relevant cost is the cost of natural gas shrinkage, which as discussed previously is based upon reductions in gas sales revenues.) However, if such an approach is taken, it would appear to be necessary (in some cases at least) to allocate a portion of such costs to the gas itself (as distinguished from the liquids).

The FEA requests comments upon the foregoing alternative of handling gathering costs as product costs, and suggestions concerning the specific circumstances under which such costs should or should not be allowed.

I. TREATMENT OF MIXED NGL PRODUCTS AND PARTIALLY FRACTIONATED NGLS

When a gas processor fractionates a mixed NGL stream, he may derive from that stream each of its separate constituent elements and sell each of these elements as a separate product. Thus, in the archetypal case the processor will derive ethane, propane, butane and natural gasoline, and sell each of these products individually. However, the processor may not always or necessarily follow this pattern. Depending upon demand and other factors, he may simply "depropanize" the NGL stream, selling the propane and also the residual butane-natural gasoline mixture. In other cases, the processor might, for example, fractionate the entire NGL stream to obtain each individual component, but may then recombine two or more of the components and sell the resulting mixture.

These mixtures have always been subject to FEA price controls, under Subpart K and (prior to promulgation of Subpart K) Subpart E. However, questions have arisen concerning the appropriate pricing and costing treatment to be given these mixtures. The FEA requests comments concerning the appropriate method of treating these mixtures, and comments concerning whether Subpart K should be amended to provide more specific guidance with respect to such mixtures, in light of the considerations discussed below.

As noted above, a mixture can result from one of two different methods: either (1) as a residue portion of the partially fractionated original NGL stream; or (2) as a recombination of separately fractionated products. In the first case, the mixture appears to meet the literal definition of "natural gas liquids" and presumptively should be treated as such. "Natural gas liquids" are defined in § 212.162 to mean

*** a mixed hydrocarbon stream containing in whole or in substantial part, mixtures of ethane, butane, propane or natural gasoline.

Although the mixture of elements in the NGL stream is not the same, after partial fractionation of the stream, as it was in the original stream, the resulting mixture appears nevertheless to be a residual stream containing two or more of the elements set forth in the definition of "natural gas liquids."

If such a mixture is treated as an NGL, the result is that the processor is not entitled to use the adjusted May 15, 1973 prices of § 212.164(a) for the component elements of the mixture, but must rather use the adjusted price for NGLs under § 212.164(b) (if applicable).

However, in the second case (i.e., where the mixture is the result of the recombination of separately fractionated products), a somewhat different treatment may be justified. In such cases, the combination of discrete NGL products presumptively should not be considered merely the residue of a partially fractionated NGL stream, but as having the character of a product whose treatment would be dependent upon the nature and amount of the separate component products of which it is comprised.

If this approach is followed, the result would be that the May 15, 1973 price for the mixture would be the May 15, 1973 price (including the adjusted price of § 212.164(a), if applicable) for each component product, weighted against the May 15, 1973 price for any other component product on the basis of the proportion of each component constituting the mix. Thus, a butane-natural gasoline mixture (not derived simply as a residue from partial fractionation of the NGL stream) would (if adjusted prices under § 212.164(a) are applicable) have a May 15, 1973 price of somewhere between \$.09 and \$.10 per gallon, depending upon the relative amounts of butane and natural gasoline in the mixture. In addition, increased costs would be allocated to the mixture according to the rules set forth in present § 212.167,

based upon the proportion of the various component products. Thus, such a mixture containing ethane would be (proportionately) subject to the "ethane exclusion" of § 212.167(a), and such a mixture containing propane would be (proportionately) subject to the special propane rule of § 212.167(c).

The FEA believes that the foregoing treatment of mixtures represents the most rational application of the provisions of Subpart K. With respect to partially fractionated NGL streams, treatment of such mixtures as an NGL would presumably reflect the fact that the costs of producing such a mixture are not as great as the costs of producing the same mixture through complete fractionation and recombination. And with respect to mixtures resulting from a recombination of separately fractionated products, pricing and costing on the basis of the proportions of each component of the mix appears to permit the most rational and feasible application of the cost allocation rules of § 212.167. It also would be neutral in its impact upon producers, in that it would avoid the creation of artificial regulatory incentives to alter mix proportions, or to sell mixtures rather than separate products or vice-versa.

However, the FEA requests comments concerning how producers have historically treated such mixtures, both prior to the imposition of price controls and also under the pertinent regulatory provisions. The FEA requests that commenters provide their specific rationales for such treatment. Comments are also requested concerning whether the above discussed treatment of mixtures is the most appropriate method, or whether different treatment is justified.

An alternative, in the case of mixtures which are not treated as NGLs but rather as NGL products, is to consider the mixture to be that individual product which constitutes the predominant component in the mix. However, the FEA has tentatively concluded that such treatment would not ordinarily be appropriate, because it might result in distortions in that the costs of the minor component would not be allocated to all of the volumes of that particular product which are in fact produced and to which such costs are attributable. It might also permit avoidance of rules such as the "ethane exclusion" and the "special propane rule," which in effect require that costs be allocated to such products on a proportional basis.

IV. COMMENT PROCEDURES.

A. WRITTEN COMMENTS.

Interested persons are invited to participate in this rulemaking by submitting data, views, or arguments with respect to the proposals set forth in this notice to Executive Communications, Federal Energy Administration. Comments should be identified on the outside envelope and on documents submitted to FEA Executive Communications with the designation "Proposed Amendments to Subpart K of the Mandatory Petroleum Price Regulations to Provide for

Recovery of Increased Processing and Marketing Costs by Sellers of Natural Gas Liquids and Natural Gas Liquid Products; Receipt of Comments and Testimony Upon Other Outstanding Issues Under Subpart K," Box MD. Fifteen copies should be submitted. All comments received by FEA will be available for public inspection in the FEA Reading Room, Room 2107, Federal Building, 12th & Pennsylvania Avenue, N.W. between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday.

Any information or data considered by the person furnishing it to be confidential must be so identified and submitted in writing, one copy only. The FEA reserves the right to determine the confidential status of the information or data and to treat it according to its determination.

B. PUBLIC HEARINGS

1. *Request Procedure.* The times and places for the hearings are indicated in the dates section of this Notice. If necessary to present all testimony, the hearing will be continued to 9:30 a.m. of the next business day following the date of the hearing.

Any person who has an interest in the proposed amendments issued today or in the other issues discussed in this Notice, or who is a representative of a group or class of persons that has an interest in today's proposed amendments or in the other issues discussed in this Notice, may make a written request for an opportunity to make oral presentation. The person making the request should be prepared to describe the interest concerned, if appropriate, to state why he or she is a proper representative of a group or class of persons that has such an interest, and to give a concise summary of the proposed oral presentation and a phone number where he or she may be contacted through the day before the hearing.

Each person selected to be heard will be so notified by the FEA before 4:30 p.m., e.d.t., Friday, July 1, 1977. Any person selected to be heard must, if feasible, submit 100 copies of his or her statement to Regulations Management, FEA, Room 2214, 2000 M Street, N.W., Washington, D.C. 20461, before 4:30 p.m., e.d.t., Thursday, July 14, 1977, for the Washington, D.C. hearing, and to the location of the hearing on the day the statement is scheduled to be presented, in the case of the Dallas, Texas and Denver, Colorado hearings.

2. *Conduct of the Hearings.* The FEA reserves the right to select the persons to be heard at these hearings, to schedule their respective presentations, and to establish the procedures governing the conduct of the hearings. The length of each presentation may be limited, based on the number of persons requesting to be heard.

An FEA official will be designated to preside at the hearings, which will not be judicial or evidentiary-type hearings. Questions may be asked only by those conducting the hearings, and there will be no cross-examination of persons

presenting statements. Any decision made by the FEA with respect to the subject matter of the hearings will be based on all information available to the FEA. At the conclusion of all initial oral statements, each person who has made an oral statement will be given the opportunity, if he so desires, to make a rebuttal statement. The rebuttal statements will be given in the order in which the initial statements were made and will be subject to time limitations.

Any interested person may submit questions to be asked of any person making a statement at the hearings. Such questions must be submitted to the address indicated in the dates section of this Notice for requests to speak, for the location concerned, before 4:30 p.m., e.d.t., Friday, July 8, 1977 (Wednesday, July 13 in the case of the Washington, D.C. hearing). Any person who wishes to ask a question at the hearings may submit the question, in writing, to the presiding officer. The FEA or the presiding officer, if the question is submitted at the hearings, will determine whether the question is relevant, and whether the time limitations permit it to be presented for answer.

Any further procedural rules needed for the proper conduct of the hearings will be announced by the presiding officer.

A transcript of the hearings will be made and the entire record of the hearings, including the transcripts, will be retained by the FEA and made available for inspection at the Freedom of Information Office, Room 2107, Federal Building, 12th & Pennsylvania Avenue, N.W., Washington, D.C., between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday. Any person may purchase a copy of the transcript from the reporter.

In the event that it becomes necessary for the FEA to cancel a hearing, FEA will make every effort to publish advance notice in the *FEDERAL REGISTER* of such cancellation. Moreover, FEA will notify all persons scheduled to testify at the hearings. However, it is not possible for FEA to give actual notice of cancellations or changes to persons not identified to FEA as participants. Accordingly, persons desiring to attend a hearing are advised to contact FEA on the last working day preceding the date of the hearing to confirm that it will be held as scheduled.

The FEA has determined that this document does not contain a major proposal requiring preparation of an Inflation Impact Statement under Executive Order 11821 and OMB Circular A-107.

As required by section 7(c)(2) of the Federal Energy Administration Act of 1974, Pub. L. 93-275, a copy of this notice has been submitted to the Administrator of the Environmental Protection Agency for his comments concerning the impact of this proposal on the quality of the environment. The Administrator had no comments on this proposal.

(Emergency Petroleum Allocation Act of 1973, Pub. L. 93-159, as amended, Pub. L. 93-511, Pub. L. 94-99, Pub. L. 94-133, Pub. L. 94-163, and Pub. L. 94-385; Federal Energy Administration Act of 1974, Pub. L. 93-275,

as amended, Pub. L. 94-385; Energy Policy and Conservation Act, Pub. L. 94-163, as amended, Pub. L. 94-385; E.O. 11790; 39 FR 23185).

In consideration of the foregoing, it is proposed to amend Parts 211 and 212 of Chapter II, Title 10 of the Code of Federal Regulations, as set forth below.

Issued in Washington, D.C., June 3, 1977.

Eric J. Fygi,
Acting General Counsel,
Federal Energy Administration.

1. Section 212.161 is amended by revising paragraph (a) to read as follows:

§ 212.161 Applicability and relationship to other Subparts.

(a) *Scope.* This subpart applies to all sales of natural gas liquids and natural gas liquid products, including transfers between affiliated entities, by all firms, including gas plant operators, producers of natural gas, natural gas royalty owners, and refiners, except that this subpart does not apply to resales by resellers or retailers subject to Subpart F of this part.

2. Section 212.162 is amended by adding a definition of "Firm," after the definition of "Cost of natural gas shrinkage" and before the definition of "First sale," to read as follows:

§ 212.162 Definitions.

"Firm" means a parent and the consolidated and unconsolidated entities (if any) which it directly or indirectly controls, except to the extent that independent firms having an interest in the same gas plant or gas plants or in the production from such plant or plants are treated as "related entities" under the provisions of this Subpart.

3. Section 212.165 is amended to read as follows:

§ 212.165 Increased processing costs.

(a) *Rule.* Subject to the limitations and requirements set forth in the ensuing paragraphs of this section, a firm may increase the first sale price of natural gas liquids and natural gas liquid products which it sells to reflect, on a dollar-for-dollar basis, increased processing costs which it has incurred.

(b) *Calculation of increased processing costs.* (1) For any firm, processing costs with respect to any gas plant or plants for any month are the total amount of allowable costs incurred (or deemed under this section to have been incurred) by that firm with respect to that gas plant or plants in that month, divided by the volume of natural gas liquids and natural gas liquid products owned by the firm and produced in that plant or plants in that month. *Provided,* That in calculating such processing costs, the rules hereinafter set forth in this paragraph and in paragraph (c) of this section shall be followed. Increased processing costs for any current month are the difference between processing

costs for the current month and processing costs for May 1973, multiplied by the volume of natural gas liquids and natural gas liquid products owned by the firm and produced in the current month in the plant or plants for which processing costs are being measured.

(2) *Allowable costs.* Allowable costs, for purposes of calculating processing costs and increased processing costs, are costs which fall within the following categories and which are attributable to gas plant operations (provided, that no costs shall be included in any particular category of processing costs if they are included in any other category of processing costs, or are included in product costs or marketing costs):

(i) *Depreciation cost.* Depreciation cost is the cost attributable to the depreciation of gas plant facilities and equipment used in processing natural gas or natural gas liquids. However, depreciation cost shall not constitute an allowable processing cost for those gas plants with respect to which the firm uses an adjusted May 15, 1973 first sale price pursuant to § 212.164 (c), (d), or (e). With respect to such plants, the firm may elect to claim increased depreciation cost if it also elects to use actual May 15, 1973 first sale prices (or adjusted prices under § 212.164 (a) or (b)) in lieu of the adjusted price under § 212.164 (c), (d) or (e), provided that once such an election is made the elected method shall continue to be used in the months subsequent to the election.

(ii) *Labor cost.* Labor cost is the total amount of direct and indirect remuneration or inducement for personal services which are reasonably subject to valuation for those personnel employed at a gas plant or directly and exclusively involved in gas plant operations, including that portion of the costs of any contract between the firm and an unrelated entity attributable to personnel other than employees who perform such services. No amount included in maintenance cost may be included in labor cost. For purposes of this paragraph (b)(2)(ii), an "unrelated entity" is an entity which is not part of the firm and which has no equity interest in any gas plant or plants (or in the natural gas liquids or natural gas liquid products produced therefrom) in which the firm has such an interest, and which is not in the business of selling products which are (or at any time were) covered products under this Part 212.

(iii) *Plant fuel cost.* Plant fuel cost is the total amount of cost for fuels utilized to operate a gas plant. If and to the extent that natural gas processed at the plant is used for plant fuel, no costs attributable thereto shall be accounted for as a processing cost, but may be accounted for as cost of natural gas shrinkage under § 212.167.

(iv) *Maintenance cost.* Maintenance cost is the dollar amount of cost attributable to gas plant maintenance and repair, including the cost of contract maintenance under contract with an unrelated entity. For purposes of this paragraph (b)(2)(iv), the term "unrelated entity" has the meaning given that term in paragraph (b)(2)(ii) of this section.

(v) *Overhead cost.* Overhead cost is the dollar amount of costs of insurance, outside legal and accounting fees, and inter-gas plant transportation costs directly attributable to gas plant operations.

(vi) *Federal, state and local tax cost.* Federal, state and local tax cost is the cost of federal, state and local property, excise, franchise and other similar taxes incurred with respect to gas plants or gas plant operations. The term includes corporate or other general business taxes of the above-described nature if the firm is engaged exclusively in the processing of natural gas or natural gas liquids; however, the term does not include federal, state or local income taxes, or any tax of any description which is measured by net income or gross receipts.

(vii) *Utility cost.* Utility cost is the dollar amount of costs incurred for utilities necessary for the operation of a gas plant.

(viii) *Interest cost.* Interest cost is the dollar amount incurred for interest on borrowing from an unrelated entity for the purpose of constructing, expanding, repairing, or operating a natural gas plant.

(3) *Limitations on increased processing costs for new plants.* Notwithstanding any other provision of this § 212.165, if (i) a firm had an interest in one or more gas plants (or in the production from one or more gas plants) which were operating in May 1973 and if (ii) the firm separately calculates and aggregates increased processing costs for a gas plant (or group of gas plants) which was not (or none of which were) in existence and operating in May 1973, then increased processing costs for such new plant (or plants) shall be calculated as if May 1973 processing costs for such plant (or plants) equalled the weighted average processing costs incurred by the firm in May 1973 with respect to all plants which were then in existence and in which or in the production from which the firm had an interest.

(c) *Accounting procedures for calculating processing costs incurred by a firm.*—(1) *General.* All processing costs shall be calculated in accordance with generally accepted accounting practices historically and consistently applied by the firm for certified annual financial statements filed by or on behalf of such firm with the Securities and Exchange Commission or a comparable state regulatory agency (or if no certified financial statements are so filed, according to generally accepted accounting practices historically and consistently applied by the firm for certified annual financial reports prepared by an independent accounting firm), except as otherwise provided in this paragraph (c). Increased processing costs shall be separately calculated for each category of allowable cost set forth in paragraph (b)(2) of this section. No capital investments may be included in processing costs as expenses, but must rather be capitalized and depreciated under the depreciation cost category.

(2) *Extraordinary or irregular costs.* Any item of cost which (i) is paid or incurred at greater than regular monthly intervals or (ii) is paid or incurred each month but in significantly different amounts independent of variations in the amount of production and which is, under generally accepted accounting practices historically and consistently applied by the firm, accrued or prorated over an appropriate period, shall be prorated or accrued pursuant to such accounting practices for purposes of calculating processing costs under this section. Any item of cost which is paid or incurred at greater than regular monthly intervals or which is paid or incurred each month but in significantly different amounts independent of variations in the amount of production and which is not so prorated or accrued over an appropriate period by the firm shall be computed for purposes of calculating processing costs under this section on an annualized basis, i.e., for current costs shall be prorated over a twelve-month period beginning not sooner than the sixth month preceding the current month, and with respect to May 1973 costs shall be prorated over the entire fiscal year of the firm which included May 1973 and in which such costs were incurred. Costs in this category include but are not necessarily limited to annual taxes and extraordinary maintenance expenses.

(3) *Processing costs deemed incurred by a firm.*—(i) *General rule.* Except as otherwise provided in this subparagraph (3), a firm may treat as processing costs incurred by it only those actual allowable costs attributable to gas plant operations, as such costs are defined in paragraph (b)(2), for which the firm is directly and primarily obligated to pay in cash. As between non-affiliated firms having an interest in the same gas plant, (or in the production from the same gas plant), a firm shall be deemed, except as otherwise provided in this subparagraph (3), to have incurred such costs in an amount determined pursuant to the applicable written agreement between such firms for the sharing of costs; or, in the absence of such written agreement, in the same proportion to total allowable costs attributable to operations of that gas plant as the volume of natural gas liquids and natural gas liquid products produced at such plant during the current month and owned by the firm bears to the total volume of natural gas liquids and natural gas liquid products produced at such plant during the current month.

(ii) *Cash payments made pursuant to a contract with a related entity.* To the extent that cash payments made or required to be made pursuant to a contract with a related entity represent reimbursement of actual allowable costs, as such costs are defined in paragraph (b)(2), incurred by the related entity, the firm making or obligated to make such payments may treat such payments as costs incurred by it for the period covered by such payments. The related entity shall deduct from the amount of

allowable costs incurred by it the same amount of such payments. The related entity shall certify to the paying firm the amount of such payments which represent allowable costs incurred by the related entity. The amount of such costs shall be determined on the same volumetric basis as provided in paragraph (c)(3)(i), above, for firms having an interest in the same gas plant. Such certification shall be binding upon the paying firm, but shall be subject to review and revision by the FEA. If the related entity fails to certify such costs, the paying firm shall be entitled and the related entity shall be required to treat the entirety of such payments as allowable costs incurred by the paying firm. *Provided,* That the paying firm and the related entity may by written agreement determine the amount or proportion of costs to be treated as incurred by each, if such written agreement clearly specifies the method by which costs are assigned to each entity and clearly provides a means by which the parties assure that no more than total allowable increased costs are recovered in the prices of products produced at the plant or plants in question. As used in this subparagraph (ii), a "related entity" is any firm which is not an "unrelated entity" as that term is used in paragraph (b)(2)(ii) of this section.

(iii) *In-kind payments consisting of transfers of natural gas liquids or natural gas liquid products pursuant to a contract with a related entity.* Contract payments made or required to be made by a firm to a related entity, and required to be made in the form of a transfer in kind of natural gas liquids or natural gas liquid products processed by related entity, shall not be considered processing costs incurred by the paying firm unless (A) the related entity certifies to the paying firm the amount of allowable costs incurred by it which is attributable to the volume of natural gas liquids and natural gas liquid products produced at the gas plant and owned (after payment) by the firm, or (B) the paying firm and the related entity by written agreement determine the amount or proportion of costs to be treated as incurred by each. Whether or not the related entity certifies the amount of allowable costs attributable to the paying firm as provided in the preceding sentence, and unless the paying firm and the related entity otherwise agree as provided in the preceding sentence, the related entity shall deduct from the allowable costs incurred by it the amount of such costs attributable to natural gas liquids and natural gas liquid products produced at the gas plant during the applicable period and owned (after payment) by the paying firm. For purposes of the preceding two sentences, "cost attributable to natural gas liquids and natural gas liquid products produced at the gas plant during the applicable period and owned (after payment) by the paying firm shall be calculated on the same volumetric basis as provided in paragraph (c)(3)(i) above, for firms having an interest in the same gas plant. As

used in this paragraph (c) (3) (iii), the term "related entity" is any firm which is not an "unrelated entity" as that term is used in paragraph (b) (2) (ii) of this section.

(4) *Aggregation and allocation of increased processing costs.* The provisions of § 212.168 (a), (b), (c), and (e), which provide for the exclusion of increased product costs attributable to ethane, the aggregation of increased product costs, the allocation of increased product costs to propane, and the allocation of increased product costs among classes of purchaser, shall also apply to increased processing costs. Increased processing costs attributable to particular products shall be aggregated on the same basis and allocated to the same products to which increased product costs are aggregated and allocated.

(d) *Recovery of increased processing costs.* Increased processing costs incurred by a firm are available for recovery in sales by that firm of natural gas liquids or natural gas liquid products which are sold in the current month, provided that such increased processing costs shall be allocated as provided in paragraph (c) (4) of this section. Subject to the provisions of § 212.169, such increased processing costs are also available for recovery in sales of natural gas liquids and natural gas liquid products sold in months following the current month, provided that such costs are allocated as provided in paragraph (c) (4) of this section.

§§ 212.66-212.171 [Redesignated]

4. Sections 212.166 and 212.167 are renumbered §§ 212.167 and 212.168 respectively. Sections 212.168, 212.169, 212.170, and 212.171, are renumbered §§ 212.170, 212.171, 212.172, and 212.173, respectively.

5. A new § 212.166 is added, to read as follows:

§ 212.166 Increased marketing costs.

(a) *Rule.* Subject to the limitations and requirements of the ensuing paragraphs of this section, a firm may increase the first sale price of propane, butane, and natural gasoline to reflect increased marketing costs which it has incurred in the sale of such products.

(b) *Calculation of increased marketing costs.* (1) For any firm, marketing costs for any month are the total amount of allowable costs incurred by that firm in that month with respect to propane, butane, and natural gasoline sales in that month, divided by the total volume of propane, butane, and natural gasoline sold by that firm in that month. *Provided,* That in calculating such marketing costs, the rules hereinafter set forth in this paragraph (b) and in paragraph (c) shall be followed. Increased marketing costs for any current month are the difference between marketing costs for the current month and marketing costs for May 1973, multiplied by the volume of propane, butane and natural gasoline sold by the firm in the current month.

(2) *Allowable costs.* Allowable costs, for purposes of calculating marketing costs and increased marketing costs, are costs which fall within the following categories and which are attributable (un-

der generally accepted accounting practices historically and consistently applied by the firm) to propane, butane and natural gasoline sales operations (provided, that no costs shall be included in any particular category of marketing costs if they are included in any other category of marketing costs, or are included in product costs or processing costs, and provided further, that common costs attributable both to sales operations and to gas plant operations shall be treated as attributable solely to gas plant operations and thus as processing costs).

(i) *Labor cost.* Labor cost is the total dollar amount of direct and indirect remuneration or inducement for personal services which are reasonably subject to valuation for those personnel employed by the firm and directly involved in propane, butane, and natural gasoline sales operations, except personal services provided by personnel which own any portion of or receive any profits from the firm involved. (This exception does not include personnel who own stock in the firm if it is a public corporation or participants in any type of profit sharing plan historically offered by the firm.) No amount included in maintenance cost increase may be included in labor cost increase.

(ii) *Utility cost.* Utility cost is the dollar amount of costs incurred for utilities.

(iii) *Interest cost.* Interest cost is the dollar amount of costs incurred for interest on borrowing from an unrelated entity to the extent that such borrowing is for the purpose of financing the marketing costs set forth in (i)-(vii) of this paragraph (b) (2) (including costs of acquiring facilities the depreciation of which is allowable under (b) (2) (vi)).

(iv) *Federal, state, and local tax cost.* Federal, state and local tax cost is the dollar amount of federal, state, and local property, excise, franchise and other similar taxes incurred which are associated with propane, butane, and natural gasoline sales operations. Federal, state, and local income taxes are not includable in this amount.

(v) *Maintenance cost.* Maintenance cost is the dollar amount of operating cost attributable to maintenance operations which are associated with propane, butane, and natural gasoline sales operations. Maintenance cost increase includes the cost of contract maintenance.

(vi) *Depreciation cost.* Depreciation cost is the cost attributable to the depreciation of equipment, machinery, and facilities which are associated with propane, butane, and natural gasoline sales operations; provided that such costs are computed according to generally accepted accounting practices historically and consistently applied by the firm and to the extent that such costs are not otherwise covered by this section. If Form 10-K is filed with the Securities and Exchange Commission or an analogous report is filed with a state regulatory agency, the amount computed for depreciation cost increase must be consistent with the figures used in preparing Form 10-K or such analogous report. Accounting procedures used to compute depreciation cost increase by refiners

which do not file such form or report, or on whose behalf such form or report is not filed, must be calculated according to generally accepted accounting practices historically and consistently applied by the firm concerned for certified annual financial reports prepared by an independent accounting firm. No capital investments may be included in non-product costs as expenses; all such investments must be capitalized and depreciated.

(vii) *Overhead cost.* Overhead cost is the dollar amount of costs of rent of real property, postage, office supplies, normal gas losses, insurance, employees' uniforms, outside legal and accounting fees, and transportation costs directly attributable to propane, butane, and natural gasoline sales operations and not included in the calculation of increased product or processing costs, provided that such costs are computed according to generally accepted accounting practices and historically and consistently applied.

(3) *Aggregation and allocation of increased marketing costs.* Increased marketing costs may be aggregated and allocated to the firm's entire, undivided stock of natural gas liquid products, or to its entire, undivided stock of the separate products propane, butane and natural gasoline, or to that portion of such stock which constitutes a separate inventory under generally accepted accounting practices historically and consistently applied by the firm. *Provided,* That costs which are attributable to more than one product and/or more than one inventory shall be allocated (under generally accepted accounting practices) among all of the products and/or inventories to which they are attributable; and provided further, that the provisions of § 212.168 (c) and (d), which apply to the allocation of increased product costs to propane, shall also apply to increased marketing costs; and provided further, that in the case of inventories which were not in existence in May, 1973, the May 1973 marketing costs attributable to such inventories shall be deemed to be the marketing costs for that product for the entire firm in May, 1973.

(c) *Recovery of increased marketing costs.* Increased marketing costs are available for recovery in sales of propane, butane and natural gasoline in the current month. Subject to the provisions of § 212.169, such costs are also available for recovery in months following the current month, provided that such costs are aggregated and allocated as provided in paragraph (b) (3) of this section.

§ 212.168 [Amended]

6. Section 212.168 (so renumbered from § 212.167 by amendment number 4, herein) is amended by deleting paragraph (f) in its entirety.

7. A new § 212.169 is added, to read as follows:

§ 212.169 Carry-forward of increased costs; corrections for overrecovery of increased costs.

(a) *Carry-forward of increased costs.* Subject to the requirements and limita-

tions contained in this section, a firm may include in the prices of natural gas liquids and natural gas liquid products the increased product, processing and marketing costs which have not previously been recovered as permitted under this subpart. Increased costs which have not previously been recovered shall retain the aggregated or segregated character that they had as current increased costs under the provisions of this subpart applicable to the aggregation of the increased cost (product, processing or marketing) in question, and shall be allocated only to products derived from the same center of aggregation. Such costs shall also be allocated in the same manner as provided for current increased costs under the applicable provisions of this subpart.

(b) *Limitations on carry-forward of costs.* Any amount of unrecovered increased product and processing costs remaining at the end of two months after the month in which such costs could first be recovered under this section shall not be recovered in any succeeding month in an amount which exceeds the greater of:

(1) Ten percent of the highest amount of all unrecovered increased costs remaining at the end of any month which are, by reason of their not having been recovered within two months of the month in which they could first be recovered under the provisions of §§ 212.165 and 212.167, subject to the limitations of this paragraph (b) of this § 212.169; or

(2) An amount which, when added to May 15, 1973 selling prices to compute maximum allowable prices, results in maximum allowable prices for the current month which are no more than 10 percent higher than the highest prices computed pursuant to this subpart at which at least 25 percent of the sales of the products concerned in the preceding month were priced.

(c) *Order of recovery of increased costs.* Increased costs shall be deemed to have been recovered in the prices charged for natural gas liquids and natural gas liquid products in the current month only in the following sequence:

(1) Increased product and processing costs incurred in the month immediately preceding the current month and not recovered in such month;

(2) Increased product and processing costs incurred in the current month;

(3) To the extent that increased marketing costs are aggregated on the same basis upon which increased product and processing costs are aggregated, such increased marketing costs, whenever incurred, which have not previously been recovered; and

(4) Increased product and processing costs incurred two or more months preceding the current month and not recovered in any month preceding the current month, provided that the portion of such amount deemed to have been recovered in the current month shall not exceed the amounts permitted to be recovered under paragraph (b) of this § 212.169.

(d) *Corrections for overrecovery of increased costs.* If in any month a firm charges prices for natural gas liquids or natural gas liquid products that result in the recovery of more than the amount of increased costs which may be recovered in such prices as provided under this subpart, the excess revenue shall be subtracted from May 15, 1973 selling prices for the product and class of purchaser with respect to which such overrecovery occurred, not later than the third month after the month in which such overrecovery occurred. *Provided,* That increased costs shall not be deemed to have been overallocated to propane except on an annual basis, as provided in § 212.168(c), § 212.165(c)(4), and § 212.166(b)(3).

[FR Doc. 77-16373 Filed 6-7-77; 8:58 am]

FEDERAL HOME LOAN BANK BOARD

[12 CFR Part 543]

[No. 77-339]

FEDERAL SAVINGS AND LOAN SYSTEM

Proposed Amendment Regarding Change in Corporate Title by Federally-Chartered Associations

JUNE 1, 1977.

AGENCY: Federal Home Loan Bank Board.

ACTION: Proposed regulatory amendment.

SUMMARY: This proposed amendment would establish a procedure for notice and opportunity for comment when a Federal savings and loan association applies to the Board for permission to change its name. Recent experience processing change-of-name applications without such a procedure has indicated that one is needed to ensure that all persons who may be interested in such an application have the opportunity to become aware of it and comment on it.

DATE: Comments must be received on or before July 15, 1977.

ADDRESS: Office of the Secretary, Federal Home Loan Bank Board, 320 First Street, N.W., Washington, D.C. 20552.

FOR FURTHER INFORMATION CONTACT:

Harry W. Quillian, Associate General Counsel, Telephone number: (202) 376-3556.

REASON FOR THIS PROPOSAL

The Board believes that, in connection with applications by Federal associations for permission to change their corporate title, a procedure for notice of the proposed change and opportunity for submission by interested persons of written comments will materially aid the Board in its consideration of the application.

Accordingly, the Board proposes to amend § 543.1 of the Rules and Regulations for the Federal Savings and Loan System (12 CFR 543.1) by designating its existing text as paragraph (a) and adding

new paragraphs (b), (c) and (d) to read as follows:

§ 543.1 Corporate title.

(a) * * *

(b) A Federal association wishing to change its corporate title shall file an application therefor with the Supervisory Agent. The application shall be accompanied by a resolution of the association's board of directors approving the requested change. The applicant shall, within 15 days after receipt of written advice that an application has been accepted for filing, publish at least once in a newspaper of general circulation in the community in which its home office is located, and in a newspaper of general circulation in any community or communities in which it has a branch office, a notice in substantially the following form:

NOTICE OF FILING OF APPLICATION FOR CHANGE IN CORPORATE TITLE

Notice is hereby given that, pursuant to § 543.1 of the Rules and Regulations for the Federal Savings and Loan System, the Federal Savings and Loan Association, _____, has filed an

(City) (State)
application with the Federal Home Loan Bank Board for permission to change its corporate title to _____. The application has been delivered to the office of the Principal Supervisory Agent of said Board, at the Federal Home Loan Bank of _____ (City) (Street Address)

(City)
Any person may file communications, including briefs, in favor or in protest of said application at the said office of the Supervisory Agent within 21 days after the date of this publication. Four copies of any communications should be filed. The application and all communications in favor or protest thereof are available for public inspection at the office of the Supervisory Agent.

Federal Savings and Loan Association

(c) Such notice may also be given by the Principal Supervisory Agent by mail or otherwise to other parties who he believes, in his sole discretion, may have an interest in the application. No communication received by the Supervisory Agent later than 21 days after the date of the first publication of such notice need be considered with respect to the application. No communication protesting an application need be considered if it does not state:

(1) Specific grounds for the protest;

(2) Specific harm expected to be suffered by the protestant in case of approval; and

(3) Specific reasons why approval would be inappropriate, unsuitable, or result in unfair competition.

(d) The applicant shall, upon closing of the time during which protest material may be filed, have 14 days in which to file a rebuttal. The Principal Supervisory Agent may approve or deny an unopposed application, but shall forward for decision by the Board any application as to which timely protest has been received. The Principal Supervisory

Agent or the Board shall deny any application if in his or its judgment approval would be inappropriate, unsuitable, or result in unfair competition.

(Sec. 5, 48 Stat. 132, as amended; 12 U.S.C. 1464. Reorg. Plan No. 3 of 1947, 12 FR 4981; 3 CFR, 1943-48 Comp., p. 1071.)

By the Federal Home Loan Bank Board.

J. J. FINN,
Secretary.

[PR Doc. 77-16338 Filed 6-8-77; 8:45 am]

[12 CFR Part 545]

[No. 77-337]

SERVICE CORPORATIONS

Land Acquisition and Development

AGENCY: Federal Home Loan Bank Board.

ACTION: Proposed rule.

SUMMARY: The Board recently imposed restrictions on land acquisition and development activities by service corporations in which Federal savings and loan associations may invest. Question has arisen whether the restrictions as to the cost of such activities and the time required for their completion apply also to any construction involved in a project. This proposed rule would clarify the Board's intention that these restrictions apply to construction as well as preparation of land for construction.

DATES: Comments must be received on or before: July 15, 1977.

ADDRESSES: Send comments to the Office of the Secretary, Federal Home Loan Bank Board, 320 First Street, N.W., Washington, D.C. 20552. Comments available for public inspection at this address.

FOR FURTHER INFORMATION CONTACT:

Harry W. Quillian, Associate General Counsel, Federal Home Loan Bank Board (202-376-3556) at the above address.

SUPPLEMENTARY INFORMATION: By Board Resolution 77-91, dated February 4, 1977, and published in the *FEDERAL REGISTER* on February 16, 1977 (40 FR 9387), the Federal Home Loan Bank Board amended § 545.9-1 of the Rules and Regulations for the Federal Savings and Loan System (12 CFR 545.9-1). One of the purposes of such amendments was to impose certain restrictions regarding land acquisition and development by service corporations in which Federal associations may invest.

It was the Board's intention, in imposing such restrictions, that the term "development" include construction as well as preparation of land for construction. Because the term "development" may be subject to an interpretation narrower than intended, the Board proposes to clarify its intent by revising the language regarding such restrictions. Such revision would make clear that the cost of a land acquisition and development project and the time required for its

completion must be determined with reference to the total project, including any construction involved in it.

Although such proposed amendment would be clarifying in nature, the Board recognizes that it could have a restrictive effect, and therefore deems it advisable to provide opportunity for public comment thereon.

Accordingly, the Board hereby proposes to amend §§ 545.9-1(a)(4) (iv) and (v) to read as follows:

§ 545.9-1 Service corporations.

(a) * * *

(4) * * *

(iv) Acquisition of unimproved real estate lots, and other unimproved real estate, for the purpose of prompt development and subdivision, principally for construction of housing or for resale to others for such construction, or for use as mobile home sites. However, if the total cost to the service corporation to purchase, develop, subdivide, and construct improvements on such real estate exceeds 20 percent of the assets of such service corporation, the service corporation shall notify the District Director—Examinations in whose district the parent association of the service corporation is located not later than 30 days after such acquisition. Such notification shall include the name and location of the project, the number of lots or acres involved, the total projected cost of the project including dollar involvement of the service corporation, and the estimated date of completion of the project.

(v) Development and subdivision of, and construction of improvements (including improvements to be used for commercial or community purposes, when incidental to a housing project) for sale or for rental on, real estate referred to in subdivision (iv) of this subparagraph. However, such development, subdivision, and construction of improvements must be completed within three years after commencement of development of such real estate and not later than five years after acquisition of such real estate, unless such period is subsequently extended by the Board upon written application by the service corporation. Acquisition of an option to purchase is not an acquisition for the purpose of determining such period.

(Sec. 5, 48 Stat. 132, as amended (12 U.S.C. 1464). Reorg. Plan No. 3 of 1947, 12 FR 4981, 3 CFR, 1943-48 Comp., p. 1071.)

By the Federal Home Loan Bank Board.

J. J. FINN,
Secretary.

[PR Doc. 77-16337 Filed 6-8-77; 8:45 am]

[12 CFR Part 584]

[No. 77-345]

SAVINGS AND LOAN HOLDING COMPANIES

Transactions With Affiliates

JUNE 1, 1977.

AGENCY: Federal Home Loan Bank Board.

ACTION: Amendment of proposed rule.

SUMMARY: This proposed rule would prohibit the offering in the same office of savings accounts in an insured institution and obligations of a holding company affiliate of such institution. In instances where such investments are presently offered together in one office, the Board believes there is a possibility that the public may confuse transactions relating to investment in insured savings deposits and transactions relating to investment in uninsured obligations. The proposed rule is intended to prevent such confusion.

DATES: Comments must be received on or before July 15, 1977.

ADDRESSES: Send comments to the Office of the Secretary, Federal Home Loan Bank Board, 320 First Street, N.W., Washington, D.C. 20552. Comments available for public inspection at the above address.

FOR FURTHER INFORMATION CONTACT:

Harry W. Quillian, Associate General Counsel, Federal Home Loan Bank Board (202-376-3556) at the above address.

SUPPLEMENTARY INFORMATION.

The Federal Home Loan Bank Board, by Resolution No. 75-752, dated August 13, 1975, and published in the *FEDERAL REGISTER* on August 18, 1975 (40 FR 34615), proposed to amend § 584.3 of the Regulations for Savings and Loan Holding Companies (12 CFR 584.3) by adding a new paragraph (a) (6) thereto, for the purpose of prohibiting an insured institution from authorizing or permitting the opening or increasing of accounts in such institution in an office where stock, bonds, debentures, notes, or similar obligations of a holding company affiliate are sold or offered for sale. Said amendment was proposed in order to prevent confusion of transactions relating to investment in an insured institution with transactions relating to investment in an uninsured holding company affiliate. The Board also considered that, in addition to the possibility that such confusion could involve redirection of a potential saver to a competing security, there is also a substantial inherent possibility of confusion and in some situations actual or potential conflict of interest where competing securities of an insured institution and holding company affiliate thereof are offered for sale in the same office.

After further consideration, the Board deems it advisable to amend its proposal by revising proposed new paragraph (a) (6) of § 584.3, for the purpose of also prohibiting an insured institution from advertising or offering for sale securities of a holding company affiliate in any office of the institution.

Accordingly, the Board hereby proposes to amend § 584.3 by adding a new paragraph (a) (6) thereto, to read as set forth below.

§ 581.3 Transactions with affiliates.

(a) Prohibited transactions. No subsidiary insured institution of a savings and loan holding company shall:

(6) Authorize or permit the opening or increasing of savings accounts in such institution in any office where the stock, bonds, debentures, notes, or similar obligations of an affiliate are sold or offered for sale, or advertise or offer for sale securities of an affiliate in any office of the institution.

(Sec. 402, 403, 407, 48 Stat. 1256, 1257, 1260, as amended; Sec. 408 48 Stat. 1261, as added by 73 Stat. 791, as amended (12 U.S.C. 1725, 1726, 1730, 1730a). Reorg. Plan No. 3 of 1947, 12 FR 4981, 3 CFR 1943-48 Comp. p. 1071.)

By the Federal Home Loan Bank Board.

J. J. FINN,
Secretary.

[FR Doc. 77-16339 Filed 6-8-77; 8:45 am]

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[14 CFR Part 39]

[Docket No. 77-NE-11]

AIRWORTHINESS DIRECTIVES

Pratt & Whitney JT8D -1, -1A, -1B, -7, -7A, -7B, -9, -9A, -11, -15, and -17 Aircraft Engines

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rule making.

SUMMARY: This notice (NPRM) proposes to amend the Federal Aviation Regulations by adding an Airworthiness Directive requiring removal of certain number 4-1/2 bearings, P/N 707007, from Pratt & Whitney Aircraft JT8D Turbofan Engines. Early failure of these bearings has caused serious engine damage.

DATES: Comments must be received on or before July 11, 1977.

ADDRESS: Send comments, in duplicate on the proposal to: Federal Aviation Administration, Office of the Regional Counsel, New England Region, Attn.: Rules Docket No. 12 New England Executive Park, Burlington, Massachusetts 01803.

FOR FURTHER INFORMATION CONTACT:

Jay J. Pardee, Propulsion Section (ANE-214), Engineering and Manufacturing Branch, Flight Standards Division, Federal Aviation Administration, New England Region, 12 New England Executive Park, Burlington, Massachusetts 01803; telephone 617-273-7337.

SUPPLEMENTARY INFORMATION: Interested persons are invited to participate in the making of the proposed rule

by submitting such written data, views, or arguments as they may desire. The proposals contained in this notice may be changed in light of the comments received. All communications will be available, both before and after the closing date for comments, in the rules docket, for examination by interested persons. A report summarizing each public contact with FAA personnel concerned with this rulemaking will be filed in the public regulatory docket. Persons desiring copies of this NPRM should contact:

Docket Clerk, Office of the Regional Counsel, ANE-7, Federal Aviation Administration, New England Region, 12 New England Executive Park, Burlington, Massachusetts 01803.

This AD is being proposed because there have been 23 failures of the JT8D number 4-1/2 bearing, P/N 707007, of which four permitted contact between the concentric low and high speed shafting with resultant machining action and failure of the low turbine shaft. Three of these shaft failures have resulted in turbine blade and vane debris penetration of the engine casing and cowings. These bearing failures have been limited to bearing serial numbers 800 through 999 and 100A through 214A. Since this condition is likely to exist or develop in other JT8D engines incorporating these suspect bearings, the proposed Airworthiness Directive would require removal of number 4-1/2 bearings, P/N 707007, serial numbers 800 through 999 and serial numbers 100A through 214A.

The bearing failures have occurred randomly with respect to operating time and no specific time interval can be specified for bearing removal. The proposed compliance date of March 31, 1978, is therefore based on availability of replacement bearings and the earliest possible operator removal schedule.

The principal authors of this document are Jay J. Pardee, ANE-214, and George L. Thompson, ANE-7.

Accordingly, it is proposed to amend § 39.13 of Part 39 of the Federal Aviation Regulations (14 CFR 39.13) by adding the following new Airworthiness Directive:

PRATT & WHITNEY AIRCRAFT: Applies to Pratt & Whitney Aircraft JT8D -1, -1A, -1B, -7, -7A, -7B, -9, -9A, -11, -15, and -17 turbofan engine models containing number 4-1/2 bearing, P/N 707007, bearing serial numbers 800 through 999 and serial numbers 100A through 214A.

Compliance required as indicated. To preclude possible low turbine shaft failure, resulting from failure of the number 4-1/2 bearing, remove from service, prior to March 31, 1978, number 4-1/2 bearings, P/N 707007, serial numbers 800 through 999, and serial numbers 100A through 214A. Replace with an FAA approved, serviceable 4-1/2 bearing.

Affected bearings shipped in engines and shipped as spares are identified by serial number in Tables I and II of Pratt & Whitney Aircraft Alert Service Bulletin Number 4639. The manufacturer's service bulletin identified and described

in this directive is incorporated herein and made a part hereof pursuant to 5 U.S.C. 552(a)(1). All persons affected by this directive who have not already received these documents from the manufacturer may obtain copies upon request to Pratt and Whitney Aircraft, Division of United Technologies Corporation, 400 Main Street, East Hartford, Connecticut 06108. These documents may also be examined at Federal Aviation Administration, New England Region, 12 New England Executive Park, Burlington, Massachusetts 01803, and at FAA Headquarters, 800 Independence Avenue SW., Washington, D.C.

A historical file on this AD which includes the incorporated material in full is maintained by the FAA at its Headquarters in Washington, D.C., and at New England Region.

(Secs. 313(a), 601, and 603 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1354 (a), 1421, and 1423), and sec. 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)).)

NOTE.—The Federal Aviation Administration has determined that this document does not contain a major proposal requiring preparation of an Economic Impact Statement under Executive Order 11821, as amended by Executive Order 11949, and OMB Circular 107.

Issued in Burlington, Massachusetts, on June 1, 1977.

NOTE.—The incorporation by reference provisions of this document was approved by the Director of the Federal Register on June 16, 1977.

WILLIAM E. CROSBY,
Acting Director,
New England Region.

[FR Doc. 77-16130 Filed 6-8-77; 8:45 am]

[14 CFR Part 71]

[Airspace Docket No. 77-GL-7]

PROPOSED DESIGNATION OF TRANSITION AREA AND ALTERATION OF CONTROL ZONE

Delta County Airport, Escanaba, Mich.

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Proposed rule.

SUMMARY: The nature of this federal action is to expand the existing control zone serving Delta County Airport, Escanaba, Michigan, and to designate additional controlled airspace to encompass revisions to existing approach procedures.

DATES: Comments must be received on or before July 8, 1977.

ADDRESSES: Send comments on the proposal to: FAA Office of Regional Counsel, AGL-7, Attention: Rules Docket Clerk, Docket No. 77-GL-7, 2300 East Devon Avenue, Des Plaines, Illinois 60018. A public docket will be available for examination by interested persons in the Office of the Regional Counsel, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, Illinois 60018.

FOR FURTHER INFORMATION CONTACT:

Doyle Hegland, Airspace and Procedures Branch, Air Traffic Division, AGL-530, FAA, Great Lakes Region, 2300 East Devon Avenue, Des Plaines, Illinois 60018, telephone 312-694-4500, extension 456.

SUPPLEMENTARY INFORMATION: The intended effect of this action is to insure segregation of aircraft utilizing various instrument approach procedures in instrument weather conditions and other aircraft operating under visual conditions. The expansion and slight alteration to the control zone boundary is mainly a redefinition of the boundary. The additional airspace required for the transition area would lower the floor of controlled airspace in this area from 1200' above ground to 700' above ground. The circumstance which created this action was the need to update existing procedures and the addition of a new procedure (LOC Rwy 9) serving this airport. A review of the terminal airspace requirements necessitates the FAA to add the additional airspace to insure that all procedures will be contained within controlled airspace. The minimum descent altitude for this procedure may be established below the floor of the 700 foot controlled airspace. In addition, aeronautical maps and charts will reflect the defined areas which will enable other aircraft to circumnavigate the area in order to comply with applicable visual flight rule requirements.

COMMENTS INVITED

Interested persons may participate in the proposed rulemaking by submitting such written data, views, or arguments as they may desire. Communications should be submitted in triplicate to Regional Counsel, AGL-7, Great Lakes Region, Rules Docket No. 77-GL-7, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, Illinois 60018. All communications received on or before July 8, 1977, will be considered before action is taken on the proposed amendment. The proposal contained in this notice may be changed in the light of comments received. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons.

AVAILABILITY OF NPRM

Any persons may obtain a copy of this notice of proposed rulemaking (NPRM) by submitting a request to the Federal Aviation Administration, Office of Public Affairs, Attention: Public Information Center, APA-430, 800 Independence Avenue SW., Washington, D.C. 20591, or by calling 202-426-8058. Communications must identify the notice number of this NPRM. Persons interested in being placed on a mailing list for future NPRMs should also request a copy of Advisory Circular No. 11-2 which describes the application procedures.

THE PROPOSAL

The FAA is considering an amendment to Subparts F and G of Part 71 of the Federal Aviation Regulations (14 CFR Part 71) to alter the control zone and designate additional 700 foot controlled airspace transition area near Escanaba, Michigan. Subparts F and G of Part 71 were republished in the Federal Register on January 3, 1977 (42 FR 355 and 440).

DRAFTING INFORMATION

The principal authors of this document are Doyle W. Hegland, Airspace and Procedures Branch, Air Traffic Division, and Joseph T. Brennan, Office of the Regional Counsel.

THE PROPOSED AMENDMENT

Accordingly, the FAA proposes to amend § 71.171 of Part 71 and § 71.181 of Part 71 of the Federal Aviation Regulations as follows:

In § 71.171 (42 FR 440), the following control zone is amended to read:

ESCANABA, MICHIGAN

Within a 5 statute mile radius of Escanaba VORTAC (latitude 45°43'19" N. Longitude 87°05'31" W.); within 3 statute miles each side of the Escanaba VORTAC 007° and 101° radials, extending from the 5-mile radius zone to 8.5 statute miles north and east of the VORTAC; within 3 statute miles each side of the Escanaba VORTAC 266° radial extending from the 5-mile radius zone to 8 statute miles west of the VORTAC.

In § 71.181 (42 FR 440), the following transition area is added:

ESCANABA, MICHIGAN

That airspace extending upward from 700 feet above the surface within a 6.5 statute mile radius of the Escanaba VORTAC; within 3 statute miles each side of the Escanaba VORTAC 007° radial from the 6.5-mile radius zone to 8.5 statute miles north of the VORTAC; within 3 statute miles each side of the Escanaba VORTAC 101° radial from the 6.5-mile radius zone to 9 statute miles east of the VORTAC; within 3 statute miles north and 4 statute miles south of the Escanaba VORTAC 270° radial from the 6.5-mile radius zone to 13.5 statute miles west of the VORTAC.

(Sec. 307(a), Federal Aviation Act of 1958 (49 U.S.C. 1348(a)); sec. 6(e), Department of Transportation Act (49 U.S.C. 1655(e)); sec. 11.81 of the Federal Aviation Regulations (14 CFR 11.61).)

NOTE.—The Federal Aviation Administration has determined that this document does not contain a major proposal requiring preparation of an Economic Impact Statement under Executive Order 11821, as amended by Executive Order 11948, and OMB Circular A-107.

Issued in Des Plaines, Illinois, on May 18, 1977.

LEON C. DAUGHERTY,
Acting Director,
Great Lakes Region.

[FR Doc. 77-16152 Filed 6-8-77; 8:45 am]

[14 CFR Part 71]

[Airspace Docket No. 77-GL-6]

PROPOSED DESIGNATION OF A TRANSITION AREA

Camp McCoy Army Airfield, Ft. McCoy, Wis.
AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Proposed rule.

SUMMARY: The nature of this federal action is to designate additional controlled airspace near Camp McCoy Army Airfield, Fort McCoy, Wisconsin, to accommodate a new NDB Runway 29 instrument approach procedure into the Camp McCoy Airfield.

DATES: Comments must be received on or before July 8, 1977.

ADDRESSES: Send comments on the proposal to: FAA Office of Regional Counsel, AGL-7, Attention: Rules Docket Clerk, Docket No. 77-GL-6, 2300 East Devon Avenue, Des Plaines, Illinois 60018. A public docket will be available for examination by interested persons in the office of the Regional Counsel, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, Illinois 60018.

FOR FURTHER INFORMATION CONTACT:

Doyle Hegland, Airspace and Procedures Branch, Air Traffic Division, AGL-530, FAA, Great Lakes Region, 2300 East Devon Avenue, Des Plaines, Illinois 60018, telephone 312-694-4500, extension 456.

SUPPLEMENTARY INFORMATION: The intended effect of this action is to insure segregation of the aircraft using this approach procedure in instrument weather conditions, and other aircraft operating under visual conditions. The floor of the controlled airspace in this area will be lowered from 1,200' above ground to 700' above ground. The circumstance which created this action was a request from the Department of the Army to provide Camp McCoy Airfield with this instrument approach. This development of the proposed instrument procedures necessitates the FAA to lower the floor of the controlled airspace to insure that the procedure will be contained within controlled airspace. The minimum descent altitude for this procedure may be established below the floor of the 700 foot controlled airspace. In addition, aeronautical maps and charts will reflect the area of the instrument procedure which will enable other aircraft to circumnavigate the area in order to comply with applicable visual flight rule requirements.

COMMENTS INVITED

Interested persons may participate in the proposed rulemaking by submitting such written data, views, or arguments as they may desire. Communications should be submitted in triplicate to Regional Counsel, AGL-7, Great Lakes Re-

tion. Rules Docket No. 77-GL-6, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, Illinois 60018. All communications received on or before July 8, 1977, will be considered before action is taken on the proposed amendment. The proposal contained in this notice may be changed in the light of comments received. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons.

AVAILABILITY OF NPRM

Any person may obtain a copy of this notice of proposed rulemaking (NPRM) by submitting a request to the Federal Aviation Administration, Office of Public Affairs, Attention: Public Information Center, APA-430, 800 Independence Avenue SW., Washington, D.C. 20591, or by calling 202-426-8058. Communications must identify the notice number of this NPRM. Persons interested in being placed on a mailing list for future NPRMs should also request a copy of Advisory Circular No. 11-2 which describes the application procedures.

THE PROPOSAL

The FAA is considering an amendment to Subpart G of Part 71 of the Federal Aviation Regulations (14 CFR Part 71) to establish a 700 foot controlled airspace transition area near Camp McCoy, Wisconsin. Subpart G of Part 71 was republished in the FEDERAL REGISTER on January 3, 1977 (42 FR 440).

DRAFTING INFORMATION

The principal authors of this document are Doyle W. Hegland, Airspace and Procedures Branch, Air Traffic Division, and Joseph T. Brennan, Office of the Regional Counsel.

THE PROPOSED AMENDMENT

Accordingly, the FAA proposes to amend § 71.181 of Part 71 of the Federal Aviation Regulations as follows:

In § 71.181 (42 FR 440), the following transition area is added:

FORT MCCOY, WISCONSIN

That airspace extending upward from 700 feet above the surface within an 11-mile radius of the Camp McCoy Army Airfield (latitude 43°57'15" N., longitude 90°44'15" W.) and within 3.5 miles each side of the 109° bearing from the Camp McCoy RBN, extending from the 11-mile radius to 7.8 miles east of the Camp McCoy RBN, excluding that portion that overlies the La Crosse, Wisconsin, transition area.

(Sec. 307(a), Federal Aviation Act of 1958 (49 U.S.C. 1348(a)); sec. 6(c), Department of Transportation Act (49 U.S.C. 1655(c)); sec. 11.81 of the Federal Aviation Regulations (14 CFR 11.61).)

NOTE.—The Federal Aviation Administration has determined that this document does not contain a major proposal requiring preparation of an Economic Impact Statement under Executive Order 11821, as amended by Executive Order 11949, and OMB Circular A-107.

Issued in Des Plaines, Illinois, on May 18, 1977.

LEON C. DAUGHERTY,
Acting Director,
Great Lakes Region.

[FR Doc. 77-16161 Filed 6-8-77; 8:45 am]

[14 CFR Part 71]

[Airspace Docket No. 77-GL-4]

PROPOSED DESIGNATION OF TRANSITION AREA

Lada Airport, Petersburg, Michigan

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Proposed Rule.

SUMMARY: The nature of this Federal action is to provide additional controlled airspace in proximity to Lada Airport, Petersburg, Michigan, to accommodate a proposed instrument procedure into the Lada Airport.

DATE: Comments must be received on or before July 8, 1977.

ADDRESSES: Send comments to: FAA Office of Regional Counsel, AGL-7, Attention: Rules Docket Clerk, Docket No. 77-GL-4, 2300 East Devon Avenue, Des Plaines, Illinois 60018. A public docket will be available for examination by interested persons in the Office of the Regional Counsel, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, Illinois 60018.

FOR FURTHER INFORMATION CONTACT:

Doyle W. Hegland, Airspace and Procedures Branch, Air Traffic Division, AGL-530, FAA, Great Lakes Region, 2300 East Devon Avenue, Des Plaines, Illinois 60018, telephone 312-694-4500, extension 456.

SUPPLEMENTARY INFORMATION: The intended effect of this action is to insure segregation of the aircraft using this approach procedure in instrument weather conditions, and other aircraft operating under visual conditions. The floor of the controlled airspace in this area will be lowered from 1200' above ground to 700' above ground. The circumstances which created this action was a request from the Lada Airport officials to provide that facility with instrument approach capability. The development of the proposed instrument procedures necessitates the FAA to lower the floor of the controlled airspace to insure that the procedure will be contained within controlled airspace. The minimum descent altitude for this procedure may be established below the 700 foot floor of controlled airspace. In addition, aeronautical maps and charts will reflect the area of the instrument procedure which will enable other aircraft to circumnavigate the area in order to comply with applicable visual flight rule requirements.

COMMENTS INVITED

Interested persons may participate in the proposed rulemaking by submitting such written data, views or arguments as they may desire. Communications should be submitted in triplicate to Regional Counsel, AGL-7, Great Lakes Region, Rules Docket No. 77-GL-4, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, Illinois 60018. All communications received on or before July 8, 1977, will be considered before action is taken on the proposed amendment. The proposal contained in this notice may be changed in the light of comments received. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons.

AVAILABILITY OF NPRM

Any person may obtain a copy of this notice of proposed rulemaking (NPRM) by submitting a request to the Federal Aviation Administration, Office of Public Affairs, Attention: Public Information Center, APA-430, 800 Independence Avenue SW., Washington, D.C. 20591, or by calling 202-426-8058. Communications must identify the notice number of this NPRM. Persons interested in being placed on a mailing list for future NPRMs should also request a copy of Advisory Circular No. 11-2 which describes the application procedures.

THE PROPOSAL

The FAA is considering an Amendment to Subpart G of Part 71 of the Federal Aviation Regulations (14 CFR Part 71) to designate a 700 foot controlled airspace transition area near Petersburg, Michigan. Subpart G of Part 71 was republished in the FEDERAL REGISTER on January 3, 1977 (42 FR 440).

DRAFTING INFORMATION

The principal authors of this document are Doyle W. Hegland, Airspace and Procedures Branch, Air Traffic Division, and Joseph T. Brennan, Office of the Regional Counsel.

THE PROPOSED AMENDMENT

Accordingly, the Federal Aviation Administration proposes to amend § 71.181 of Part 71 of the Federal Aviation Regulations (14 CFR 71.181) as follows:

In § 71.181 (42 FR 440), the following transition area is added:

PETERSBURG, MICHIGAN

That airspace extending upward from 700 feet above the surface within a 5-mile radius of the Lada Airport (latitude 41°53'15" N, longitude 83°40'45" W) and within 2 miles each side of the Carleton, MI VORTAC 229° radial extending from the 5-mile radius area to 9.5 miles southwest of the VORTAC.

(Sec. 307(a), Federal Aviation Act of 1958 (49 U.S.C. 1348(a)); sec. 6(c), Department of Transportation Act (49 U.S.C. 1655(c)); sec. 11.81 of the Federal Aviation Regulations (14 CFR 11.61).)

NOTE.—The Federal Aviation Administration has determined that this document does not contain a major proposal requiring preparation of an Economic Impact Statement under Executive Order 11821, as amended by Executive Order 11949, and OMB Circular A-107.

Issued in Des Plaines, Illinois, on May 10, 1977.

LEON C. DAUGHERTY,
Acting Director,
Great Lakes Region.

[FR Doc. 77-16150 Filed 6-8-77; 8:45 am]

[14 CFR Part 71]

[Airspace Docket No. 77-GL-5]

PROPOSED DESIGNATION OF A TRANSITION AREA

Pulaski, Wisconsin

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Proposed Rule Making.

SUMMARY: The nature of this Federal action is to designate additional controlled airspace near Pulaski, Wisconsin, to accommodate a new VOR/DME instrument approach procedure into the Carter Airport.

DATES: Comments must be received on or before July 8, 1977.

ADDRESSES: Send comments to: FAA Office of Regional Counsel, AGL-7, Attention: Rules Docket Clerk, Docket No. 77-GL-5, 2300 East Devon Avenue, Des Plaines, Illinois 60018. A public docket will be available for examination by interested persons in the Office of the Regional Counsel, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, Illinois 60018.

FOR FURTHER INFORMATION CONTACT:

Doyle Hegland, Airspace and Procedures Branch, Air Traffic Division, AGL-530, FAA, Great Lakes Region, 2300 East Devon Avenue, Des Plaines, Illinois 60018, telephone 312-694-4500, extension 456.

SUPPLEMENTARY INFORMATION: The intended effect of this action is to insure segregation of the aircraft using this approach procedure in instrument weather conditions, and other aircraft operating under visual conditions. The floor of the controlled airspace in this area will be lowered from 1200' above ground to 700' above ground. The circumstance which created this action was a request from Carter Airport officials to provide that facility with instrument approach capability. The development of the proposed instrument procedures necessitates the FAA to lower the floor of the controlled airspace to insure that the procedure will be contained within controlled airspace. The minimum descent altitude for this procedure may be established below the floor of the 700 foot controlled airspace. In addition, aeronautical maps and charts will reflect the area of the instrument procedure which

will enable other aircraft to circumnavigate the area in order to comply with applicable visual flight rule requirements.

COMMENTS INVITED

Interested persons may participate in the proposed rulemaking by submitting such written data, views or arguments as they may desire. Communications should be submitted in triplicate to Regional Counsel, AGL-7, Great Lakes Region, Rules Docket No. 77-GL-5, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, Illinois 60018. All communications received on or before July 8, 1977, will be considered before action is taken on the proposed amendment. The proposal contained in this notice may be changed in the light of comments received. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons.

AVAILABILITY OF NPRM

Any person may obtain a copy of this notice of proposed rulemaking (NPRM) by submitting a request to the Federal Aviation Administration, Office of Public Affairs, Attention: Public Information Center, APA-430, 800 Independence Avenue SW., Washington, D.C. 20591, or by calling 202-426-8058. Communications must identify the notice number of this NPRM. Persons interested in being placed on a mailing list for future NPRMs should also request a copy of Advisory Circular No. 11-2 which described the application procedures.

THE PROPOSAL

The FAA is considering an amendment to Subpart G of Part 71 of the Federal Aviation Regulations (14 CFR Part 71) to establish a 700 foot controlled airspace transition area near Pulaski, Wisconsin. Subpart G of Part 71 was republished in the FEDERAL REGISTER on January 3, 1977 (42 FR 440).

DRAFTING INFORMATION

The principal authors of this document are Doyle W. Hegland, Airspace and Procedures Branch, Air Traffic Division, and Joseph T. Brennan, Office of the Regional Counsel.

THE PROPOSED AMENDMENT

Accordingly, the Federal Aviation Administration proposes to amend § 71.181 of Part 71 of the Federal Aviation Regulations (14 CFR 71.181) as follows:

In § 71.181 (42 FR 440), the following transition area is added:

PULASKI, WISCONSIN

That airspace extending upward from 700 feet above the surface within a 9-mile radius of Austin-Straubel Airport, Green Bay, Wisconsin (latitude 44°29'16" N, Longitude 88°07'49" W); within 2½ miles each side of the Green Bay ILS southwest localizer course extending from the 9-mile radius to 8 miles southwest of the OM; within 5 miles to the southwest side and 8 miles to the northeast side of the Green Bay 320° radial, extending from the 9-mile radius area

to 10 miles northwest of the VORTAC; and within 5 miles each side of the Green Bay ILS localizer northeast course extending from the 9-mile radius to 14 miles northeast of the airport.

(Sec. 307(a), Federal Aviation Act of 1958 (49 U.S.C. 1348(a)); sec. 6(c), Department of Transportation Act (49 U.S.C. 1655(c)); sec. 11.81 of the Federal Aviation Regulations (14 CFR 11.81).)

NOTE.—The Federal Aviation Administration has determined that this document does not contain a major proposal requiring preparation of an Economic Impact Statement under Executive Order 11821, as amended by Executive Order 11949, and OMB Circular A-107.

Issued in Des Plaines, Illinois, on May 18, 1977.

LEON C. DAUGHERTY,
Acting Director,
Great Lakes Region.

[FR Doc. 77-16149 Filed 6-8-77; 8:45 am]

[14 CFR Part 71]

[Airspace Docket No. 77-CE-12]

LINCOLN MILITARY OPERATIONS AREA, NEB. 1

Proposed Alteration of Federal Airway Correction

In FR Doc. 77-14008 appearing on page 25740 in the issue for Thursday, May 19, 1977, the heading should read as set forth above.

FEDERAL TRADE COMMISSION

[16 CFR Part 13]

[Docket No. 9062]

FISHER FOODS, INC.

Consent Agreement With Analysis To Aid
Public Comment; Correction

AGENCY: Federal Trade Commission.

ACTION: Correction.

SUMMARY: This document corrects a Consent Agreement with Analysis To Aid Public Comment in the Matter of Fisher Foods, Inc. that was published in the FEDERAL REGISTER on Wednesday, May 11, 1977.

EFFECTIVE DATE: June 6, 1977.

FOR FURTHER INFORMATION CONTACT:

Paul R. Peterson, Director, Cleveland Regional Office, Federal Trade Commission, 1339 Federal Office Building, 1240 East 9th Street, Cleveland, Ohio 44199, (216) 522-4207.

SUPPLEMENTARY INFORMATION: The following corrections are made in FR Doc. 77-13439:

(1) Order paragraph I.F. (pg. 23850, Column 1) should be corrected to read:

A "Northern Ohio Division Sample" means a selection of at least 25% (to the nearest whole number) of Respondent's Retail Food Stores located in the Northern Ohio Division, 75% (to the nearest whole number) of which shall be randomly selected from the Ohio Counties of Cuyahoga, Lake, Lorain, and

Summit, and 25% of which shall be randomly selected from Respondent's Retail Food Stores in the other Ohio Counties which comprise the Northern Ohio Division.

(2) Order paragraph I.H. (pg. 23850, Column 1) should be corrected to read:

A "Los Angeles Division Sample" means a selection of at least 25% (to the nearest whole number) of Respondent's Retail Food Stores located in the Los Angeles Division, 75% (to the nearest whole number) of which shall be randomly selected from the California Counties of Los Angeles and Orange, and 25% of which shall be randomly selected from Respondent's Retail Food Stores in the other California Counties which comprise the Los Angeles Division.

(3) Order paragraph II.B. (pp. 23850, Column 3; 23851, Column 1) should be corrected to read:

Each unit of each advertised item, any of which is marked with at least one price either on the item itself or on a sign at the point of display, is clearly and conspicuously marked with a price that is no higher than the advertised price; if any unit of an advertised item is marked with two or more different prices, the customer is charged the lowest of the prices, which is no higher than the advertised price;

(4) Order paragraph III.A.2.(a) (pg. 23851, Column 1) should be corrected to read:

Respondent shall be deemed to have shown that it delivered an item to a store in quantities sufficient to meet reasonably anticipated demand in a particular advertisement period if it maintains records showing that the number of units of the item in the closing inventory of the store after closing hours on the night before the first day of the advertisement period, plus the number of units delivered in adequate time to the store for the advertisement period is equal to or greater than the quantities of that item sold by that store during the last preceding comparable advertisement period.

(5) Order paragraph III.A.2.(b) (pg. 23851, Column 1) should be corrected to read:

The phrase, "quantities of that item sold by that store during the last preceding comparable advertisement period," for items other than meat, means the sum of the number of units in the closing inventory of the store after closing hours on the night before the first day of the advertisement period, plus the number of units delivered to the store during the advertisement period, plus the number of "rainchecks" issued for that item during the advertisement period, and minus the number of units in the closing inventory of the store after closing hours on the last day of the advertisement period.

(6) Order paragraph III.A.2.(d) (pg. 23851, Column 2) should be corrected to read:

It shall be presumed that Respondent has delivered meat items to a store in quantities sufficient to meet reasonably anticipated demand in a particular advertisement period when the sum of the number of primal cuts or carcasses containing that item in the closing inventory of the store after closing hours on the night before the first day of the particular advertisement period, plus the number of primal cuts or carcasses containing that item delivered to the store during the particular advertisement period, cuts or carcasses containing that item in the closing in-

ventory of the store after closing hours on the last day of the particular advertisement period, is equal to or greater than the sum of the number of primal cuts or carcasses containing that item in the closing inventory of the store after closing hours on the night before the first day of the comparable advertisement period, plus the number of primal cuts or carcasses containing that item delivered to the store during the comparable advertisement period, minus the number of primal cuts or carcasses containing that item in the closing inventory of the store after closing hours on the last day of the comparable advertisement period, taking into consideration the number of "rainchecks" issued and the frequency of delivery.

(7) Order paragraph IV.C.2 (pg. 23852, Column 2) should be corrected to read:

Respondent shall institute, enforce, monitor, improve on the basis of experience, and maintain a program (including a continuing surveillance procedure) that is designed to effect compliance with this Order and to reveal whether the business practices of each of its Retail Food Stores conform to this Order, and shall confer with a representative of the Federal Trade Commission pertaining to the program when requested to do so by such representative. This program shall include five surveys of Respondent's Retail Food Stores by an independent organization, conducted according to the Survey Procedures and within the time limitations hereinafter prescribed, with the commencement date for each of these surveys to be selected by the Federal Trade Commission or its staff. Respondent shall not modify any Survey procedure or form without prior Commission approval. At least one of these surveys shall be conducted using a Sample of the Northern Ohio Division and shall be conducted between six months after the effective date of this Order and four years after the effective date of this Order. At least one of these surveys shall be conducted using a Sample of the Southern Ohio Division and shall be conducted between one year after the effective date of this Order and four years after the effective date of this Order. At least one of the surveys shall be conducted using a Sample of the Los Angeles Division and shall be conducted between one year after the effective date of this Order and four years after the effective date of this Order. Each of the remaining two surveys shall be conducted in any of the three divisions chosen by the Federal Trade Commission or its staff and shall be conducted between one year after the effective date of this Order and four years after the effective date of this Order, except that no Survey of the same division shall be commenced earlier than six months after the commencement of an earlier Survey of the same division. The results of each of these surveys, the defenses of Respondent, and any underlying documents shall be provided to the Federal Trade Commission or its staff within four months after the completion of the Survey.

(8) Order paragraph IV.C.3 (pg. 23852, Columns 2 and 3) should be corrected to read:

The results of any Survey, any defenses of the Respondent, and any underlying documents, as they relate to Respondent's Retail Food Stores located in the Southern Ohio Division or in the Los Angeles Division, may be used by the Federal Trade Commission in any proceeding under the Federal Trade Commission Act, as amended, other than a proceeding to enforce Paragraph II of this Order. The results of any Survey, any de-

fenses of the Respondent, and any underlying documents, as they relate to Respondent's Retail Food Stores located in the Northern Ohio Division, may be used by the Federal Trade Commission in any proceeding under the Federal Trade Commission Act, as amended. As set forth in Paragraph I(I), Respondent waives any right it might have to challenge the admissibility into evidence of the results of a Survey or to challenge the evidentiary weight of the Survey based upon the size of the Sample; Respondent, however, retains the right to challenge the evidentiary weight to be given to the results of any such Survey or other legally available basis.

JOHN F. DUGAN,
Acting Secretary.

[FR Doc. 77-16340 Filed 6-8-77; 8:45 am]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR Part 1]

ARBITRAGE BONDS

Proposed Rulemaking

AGENCY: Internal Revenue Service, Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document contains two proposed amendments to the arbitrage bond regulations. The amendments are designed to cure a minor defect in the regulations. They affect purchasers and governmental issuers of tax-exempt bonds.

DATES: Written comments and requests for a public hearing must be delivered or mailed by July 25, 1977. One proposed amendment applies to bonds issued after June 9, 1977. The other proposed amendment applies to bonds sold after May 25, 1977.

ADDRESS: Send comments and requests for a public hearing to: Commissioner of Internal Revenue, attention: CC: LR:T, Washington, D.C. 20224.

FOR FURTHER INFORMATION CONTACT:

Benjamin J. Cohen of the Legislation and Regulations Division, Office of the Chief Counsel, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, D.C. 20224, attention: CC:LR:T, 202-566-3458.

SUPPLEMENTARY INFORMATION:

BACKGROUND

This document contains proposed amendments to the Income Tax Regulations (26 CFR Part 1) under section 103(c) of the Internal Revenue Code of 1954. These amendments are to be issued under the authority contained in sections 103(c) (6) and 7805 of the Internal Revenue Code of 1954 (83 Stat. 656 and 68A Stat. 917; 26 U.S.C. 103, 7805).

PREVIOUS NOTICES OF PROPOSED RULEMAKING

On May 3, 1973, the FEDERAL REGISTER published proposed Income Tax Regulations (26 CFR Part 1) under section 103 of the Internal Revenue Code of 1954

(38 FR 10944). The proposed regulations were revised by notices of proposed rulemaking published in the *FEDERAL REGISTER* for December 3, 1975 (40 FR 56488), October 29, 1976 (41 FR 47679), and May 31, 1977 (42 FR 27610) and corrected by notices published in the *FEDERAL REGISTER* for May 11, 1973 (38 FR 12405), December 18, 1975 (40 FR 58656), and November 24, 1976 (41 FR 51840). This notice of proposed rulemaking further revises the proposed regulations.

INVESTMENT PROCEEDS

Generally, the issuer of tax-exempt bonds must invest all but a minor portion of the bond proceeds at a restricted yield, that is, a yield not materially higher than the yield at which the bonds were sold. Receipts from the investment of bond proceeds are ordinarily called "investment proceeds." Investment proceeds, like other bond proceeds, must be invested at a restricted yield. However, a special rule provides that if the issuer commingles these investment receipts with substantial amounts of other revenues within one year, the receipts are not considered investment proceeds and may therefore be invested at an unrestricted yield. For example, if investment receipts are put into a city treasury and become indistinguishable from other treasury funds, the investment receipts are not subject to yield restrictions. This special rule was designed to avoid imposing a hardship on the issuer by requiring the issuer to account separately for investment receipts commingled with other funds. However, in the case of a refunding issue, the potential hardship is minimal. In addition, there is a particularly good opportunity to abuse the special rule by routing investment receipts into a general fund and then out again. Therefore, the proposed amendment provides that the special rule does not apply in the case of a refunding issue issued after (date of notice).

COMMENTS AND REQUESTS FOR A PUBLIC HEARING

Before adopting these proposed regulations, consideration will be given to any written comments that are submitted (preferably six copies) to the Commissioner of Internal Revenue. All comments will be available for public inspection and copying. A public hearing will be held upon written request to the Commissioner by any person who has submitted written comments. If a public hearing is held, notice of the time and place will be published in the *FEDERAL REGISTER*.

DRAFTING INFORMATION

The principal author of these proposed regulations was Benjamin J. Cohen of the Legislation and Regulations Division of the Office of Chief Counsel, Internal Revenue Service. However, personnel from other offices of the Internal Revenue Service and Treasury Department participated in developing the regulations, both on matters of substance and style.

Proposed amendments to the regulations.—The proposed amendments to 26 CFR Part 1 are as follows:

Paragraph 1. The last sentence of § 1.103-13(b)(2)(ii) is revised by inserting "(other than a refunding issue issued after June 9, 1977)" immediately after "any proceeds of an issue".

Par. 2. Section 1.103-15(c)(1) is amended by deleting "and" at the end of subdivision (iv) and inserting a semicolon in lieu thereof, by deleting the period at the end of subdivision (v) and inserting "; and" in lieu thereof, and by adding a new subdivision (vii) to read as follows:

§ 1.103-15 Excess proceeds.

(c) Excess proceeds.—(1) In general.

(vii) Investment proceeds derived from the investment of a reasonably required reserve or replacement fund.

JEROME KURTZ,
Commissioner of Internal Revenue.
[FR Doc. 77-16495 Filed 6-8-77; 8:45 am]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Public Health Service

[42 CFR Part 67]

GRANTS FOR HEALTH SERVICES RESEARCH, EVALUATION AND DEMONSTRATION PROJECTS

AGENCY: Public Health Service, HEW.

ACTION: Proposed rule.

SUMMARY: The purpose of this proposed rule is to establish regulations implementing the Secretary's authority to award grants to public or nonprofit private entities and individuals to support health services research, evaluation, or demonstration projects. These regulations will provide program requirements for grantees and potential grantees.

DATES: Comments must be received on or before July 25, 1977.

ADDRESS: Data, views and arguments related to the proposed regulations may be presented in writing to Review and Advisory Services, National Center for Health Services Research, Health Resources Administration, Federal Center Building No. 2, Room 7-50A, 3700 East West Highway, Hyattsville, Maryland 20782.

FOR FURTHER INFORMATION CONTACT:

Dr. Donald Goldstone, Division of Health Services Research Strategy, National Center for Health Services Research, Health Resources Administration, Federal Center Building No. 2, Room 850A, 3700 East West Highway, Hyattsville, 20782, 301-436-8915.

SUPPLEMENTARY INFORMATION: The Assistant Secretary for Health, Department of Health, Education, and

Welfare with the approval of the Secretary of Health, Education, and Welfare, proposes to add a new Subpart A entitled "Grants for Health Services Research, Evaluation and Demonstration Projects" to Part 67 of Title 42, Code of Federal Regulations.

Section 305(b) of the Public Health Service Act, as amended by the Health Services Research, Health Statistics, and Medical Libraries Act of 1974, Pub. L. 93-353 (July 23, 1974), authorizes the Secretary to award grants to public or nonprofit private entities and individuals to support health services research, evaluation or demonstration projects. The purpose of this proposed Subpart A is to establish regulations implementing this authority. Particular attention is drawn to the following provisions of the proposed regulations.

Section 67.14 sets forth the administrative processes to be utilized for the review of projects. Projects with direct costs of the project period in excess of \$35,000 are to be reviewed for scientific and technical merit by formally constituted peer review groups composed of non-Federal experts. These peer review groups submit a written report and group recommendations to the Secretary for each project. This approach meets the statutory requirement in Section 308 of the Public Health Service Act that the Secretary submit such projects for review to a panel of experts appointed by him from persons who are not officers or employees of the United States. Projects with direct costs over the project period of \$35,000 or less (referred to in the proposed regulations as "small grants") are to be reviewed by members of the staff of the National Center for Health Services Research and at least two outside experts who are neither officers nor employees of the United States. These outside experts will be selected by the Director of the National Center for Health Services Research. In the case of small grants, each reviewer makes an individual, written report to the Secretary on the application. The review criteria for all projects, regardless of size, are identical.

Although \$35,000 in direct costs is the upper limit for small grants, § 67.16(b)(2) provides that in the case of particular categories of small grants (such as dissertation research support) the Secretary may establish a limit on direct costs that is less than \$35,000 for the project period. Where such a limit is imposed, it will be announced in advance of the deadline for the receipt of applications for such grants.

Section 67.16(d) provides that any approved project with a project period in excess of two years will be reviewed during the second budget period, and during each subsequent budget period, by at least two members of the same peer review group which reviewed the original proposal. This group shall review the proposal with respect to the appropriateness of continuation support.

Section 67.16(c) limits the amount of supplemental grant awards which the Secretary can make with respect to small

grants to 10% of the direct costs of the small grant. With respect to grants for projects in excess of \$35,000 in direct costs, the Secretary must solicit and consider the views of the appropriate peer review group regarding supplemental awards which, in the aggregate, exceed 20% of the original total direct costs of the project.

The new regulations policies of the Department issued July 25, 1976, require that an implementation plan be prepared for this Notice of Proposed Rulemaking (NPRM) prior to its issuance. In compliance with these requirements, an implementation plan was forwarded to the Secretary and he has authorized the issuance of the NPRM without the use of a Notice of Intent (NOI) which would otherwise be required by the new policies. There is an urgent need for these regulations. Furthermore, these regulations are technical in nature, and the 45-day period for public comment will provide adequate opportunity for the presentation of public views.

Written comments concerning the proposed regulations are invited from interested persons. Data, views, and arguments related to the proposed regulations may be presented in writing to Review and Advisory Services, National Center for Health Services Research, Health Resources Administration, Room 15-35, 5600 Fishers Lane, Rockville, Maryland 20857. All comments received in response to this notice will be available for public inspection at the above office on weekdays (Federal holidays excepted) between 8:45 a.m. and 5:15 p.m. All relevant material received not later than July 25, 1977, will be considered.

It is therefore proposed to amend Title 42 of the Code of Federal Regulations by adding to Part 67 a new Subpart A to read as set forth below.

NOTE: The Department of Health, Education, and Welfare has determined that this document does not contain a major proposal requiring preparation of an Inflation Impact Statement under Executive Order 11821 and OMB Circular A-107.

Dated: March 29, 1977.

JAMES F. DICKSON,
Acting Assistant
Secretary for Health.

Approved: May 31, 1977.

JOSEPH A. CALIFANO, Jr.,
Secretary.

Subpart A—Grants for Health Services,
Evaluation, and Demonstration Projects

Sec.
67.10 Purpose and scope.
67.11 Definitions.
67.12 Eligibility.
67.13 Application.
67.14 Evaluation of applications.
67.15 Disposition of applications.
67.16 Grant award.
67.17 Project requirements.
67.18 Grant payments.
67.19 Use of project funds.
67.20 Termination.
67.21 Nondiscrimination.
67.22 Human subjects and animal welfare.
67.23 Publications and copyrights.

Sec.
67.24 Confidentiality.
67.25 Control of data.
67.26 Grantee accountability.
67.27 Applicability of 45 CFR Part 74.
67.28 Additional conditions.

AUTHORITY: Sec. 215, 58 Stat. 690, as amended, 63 Stat. 35 (42 U.S.C. 216); sec. 305, 88 Stat. 363 (42 U.S.C. 242c).

Subpart A—Grants for Health Services Research, Evaluation, and Demonstration Projects

§ 67.10 Purpose and scope.

The regulations of this subpart are applicable to the award through the National Center for Health Services Research of grants under section 305(b) of the Public Health Service Act (42 U.S.C. 242c(b)) to support identified health services research, evaluation or demonstration projects to investigate:

(a) The accessibility, acceptability, planning, organization, distribution, technology, utilization, quality, and financing of health services and systems;

(b) The supply and distribution, education and training, quality, utilization, organization, and cost of health manpower; and

(c) the design, construction, utilization, organization, and cost of facilities and equipment.

§ 67.11 Definitions.

As used in this subpart:

(a) "Act" means the Public Health Service Act.

(b) "Budget period" means the interval of time (usually 12 months) into which the project has been divided for budgetary and reporting purposes and for which the Government has made a financial commitment to fund a particular project.

(c) "Direct costs" means the costs that can be identified specifically with a particular cost objective, such as compensation of employees for the time and effort devoted specifically to the approved project, and the costs of materials acquired, consumed or expended specifically for the purpose of the approved project.

(d) "Grantee" means the public or nonprofit entity or individual that receives a grant under section 305(b) and this subpart for a health services research, evaluation or demonstration project and assumes legal and financial responsibility for the funds awarded and for the performance of the grant supported activity.

(e) "National Center for Health Services Research" means that unit of the Department of Health, Education, and Welfare established by section 305 (a) of the Act.

(f) "Nonprofit" as applied to a private entity, means that no part of the net earnings of such entity inures or may lawfully inure to the benefit of any shareholder or individual.

(g) "Project period" means the total period of time for which support for a project has been approved as specified in the grant award document. Such approval does not commit or obligate the

Federal government to any additional, supplemental or continuation support beyond the current budget period.

(h) "Principal investigator" means a single individual, designated in the grant application and approved by the Secretary, who is responsible for the scientific and technical direction of the project.

(i) "Secretary" means the Secretary of Health, Education, and Welfare and any other officer or employee of the Department of Health, Education, and Welfare to whom the authority involved has been delegated.

(j) "Peer review group" means a panel of experts who are neither officers nor employees, other than by reason of their appointment, of the United States qualified by training and experience in particular scientific and technical fields to give expert advice, in accordance with the provisions of this subpart, on the scientific and technical merit of grant applications.

§ 67.12 Eligibility.

(a) *Eligible applicants.* Any public or private nonprofit entity and any individual is eligible to apply for a grant under this subpart.

(b) *Eligible projects.* Grants pursuant to section 305(b) of the Act and this subpart may be made to eligible applicants for the purpose of assisting in meeting the costs of health services research, evaluation, or demonstration projects as described in § 67.10; *Provided*, That no grant may be made under this subpart for any health services research, evaluation, or demonstration project for which a grant under another provision of the Act (other than section 304) may be made.

§ 67.13 Application.

(a) An application for a grant under this subpart shall be submitted at such time and in such form and manner as the Secretary may prescribe, and shall be executed by an individual authorized to act for the applicant and to assume for the applicant the obligations imposed by the Act, the regulations of this subpart and any additional terms or conditions of any grant awarded.

(b) In addition to such other information as the Secretary may require, an application under this subpart must contain the following:

(1) A description of the problem in the area of health services that the project will address;

(2) A description of the hypotheses that will be tested or the specific objectives that will be served by the project as they relate to the general problem area;

(3) A description of the manner in which the project will be organized and managed;

(4) A specification of the data that will be collected or used in the project;

(5) A description of the analytic procedures that will be employed in the project;

(6) The names and qualifications of the principal investigator and principal

members of the staff that will be assigned to the project and their roles;

(7) A description of the facilities and resources that will be available to the applicant, if any; and

(8) A complete and detailed budget and justification for the amount of grant funds being requested.

§ 67.14 Evaluation of applications.

(a) *Projects with direct costs over the project period in excess of \$35,000.* (1) All applications for grant support under this subpart for a project with estimated direct costs over the project period in excess of \$35,000 will be submitted by the Secretary for review to a peer review group whose members will be selected based upon their training and experience in relevant scientific and technical fields taking into account among other factors:

(i) The level of formal education (e.g., M.A., Ph.D., M.D.) completed by the individual;

(ii) The extent to which the individual has engaged in relevant research, the capacities (e.g., principal investigators, assistant) in which the individual has done so, and the quality of such research;

(iii) The extent of the professional recognition received by the individual as reflected by awards and other honors received from scientific and professional organizations outside the Department of Health, Education, and Welfare; and

(iv) The need of the peer review group to include within its membership experts from various areas of specialization within relevant scientific and technical fields.

(2) In carrying out a review under this paragraph the peer review group will, among other factors, take into account where appropriate:

(i) The significance and originality from a scientific or technical standpoint of the goals of the project;

(ii) The adequacy of the methodology proposed to carry out the project;

(iii) The availability of data or the proposed plan to collect data required in the analyses;

(iv) The adequacy and appropriateness of the plan for organizing and carrying out the project;

(v) The qualifications of the principal investigator and proposed staff;

(vi) The reasonableness of the proposed budget in relation to the proposed project;

(vii) The adequacy of the facilities and resources available to the grantee; and

(viii) Where an application involves activities which could have an adverse effect upon humans, animals, or the environment, the adequacy of the proposed means for protecting against or minimizing such effects.

(3) The peer review group to which an application has been submitted pursuant to this paragraph shall make a written report to the Secretary on each application so submitted which shall contain the following parts:

(i) The first part shall consist of a factual summary of the proposed project,

including a description of its purpose, scientific approach, location, total budget and manpower requirements.

(ii) The second part shall address the scientific and technical merit of the proposed project and shall consist of a critique of the proposed project with regard to the factors described in § 67.14(a)(2). This portion of the report shall include a set of recommendations to the Secretary with respect to the disposition of the application based upon its scientific and technical merit. The peer review panel may recommend that the Secretary approve, disapprove or defer a decision on the application in order to obtain further information. Where the peer review panel recommends deferral, it shall specify the additional information it deems necessary for an adequate review of the application. Where the peer review panel recommends approval, it shall also provide its recommendation regarding the appropriate project period and level of support for the proposed project.

(iii) The third part of the report shall describe the peer review panel's review of the importance of the problem that is to be addressed by the proposed project and its potential impact.

(b) *Project with direct costs over the project period of \$35,000 or less.* (1) All applications for grant support under this subpart for a project with estimated direct costs over the project period of \$35,000 or less (hereinafter sometimes referred to as "small grants") will be submitted by the Secretary for review to members of the staff of the National Center for Health Services Research and at least two outside experts who are neither officers nor employees of the United States selected by the Director of the National Center for Health Services Research on the basis of their training and experience in particular scientific and technical fields, their knowledge of health services research and the application of research findings, and their special knowledge of the problem being addressed in the specific proposal.

(2) In carrying out a review under this paragraph, the reviewers will, among other factors, take into account where appropriate:

(i) The significance and originality from a scientific or technical standpoint of the goals of the project;

(ii) The adequacy of the methodology proposed to carry out the project;

(iii) The availability of data or the proposed plan to collect data required in the analyses;

(iv) The adequacy and appropriateness of the plan for organizing and carrying out the project;

(v) The qualifications of the principal investigator and proposed staff;

(vi) The reasonableness of the proposed budget in relation to the project;

(vii) The adequacy of the facilities and resources available to the grantee; and

(viii) Where an application involves activities which could have an adverse effect upon humans, animals, or the environment, the adequacy of the proposed

means for protecting against or minimizing such effects.

(3) Each reviewer to which an application has been submitted pursuant to this paragraph shall make a written report to the Secretary on each application so submitted. Each report shall summarize the reviewer's findings and provide recommendations with regard to approval, disapproval, or deferral of the application in order to obtain additional information.

§ 67.15 Disposition of applications.

On the basis of the Secretary's evaluation of the application as provided in § 67.16, the Secretary shall either (a) approve, (b) defer for a later decision, or (c) disapprove any application for grant assistance under this subpart. Disapproval of an application shall not preclude its reconsideration if the application is resubmitted in the same or a revised version at a later date.

§ 67.16 Grant award.

(a) *General.* (1) Within the limits of funds available for such purpose and subject to the limitation of section 308(c) of the Act, the Secretary may award grants to those applicants whose approved projects will in his judgment best promote the purposes of section 305 (b) of the Act and the regulations of this subpart, taking into consideration:

(i) Recommendations made pursuant to § 67.14.

(ii) The appropriateness of the budget.

(iii) The extent to which the research proposal and the fiscal plan provide assurance that effective use will be made of grant funds.

(iv) The business management capability of the applicant.

(v) The competence and skill of the staff, especially the senior personnel, in light of the scope of the project.

(vi) The probable usefulness of the project results for dealing with national health care problems, policies and programs.

(vii) The relative priority of the proposed project in light of the established priorities of the National Center for Health Services Research.

(2) In making any grant award the Secretary may add additional conditions to or require specific modifications in the project as proposed in the application including a different level of grant support from that requested in the application. In such cases the Secretary will obtain either the written agreement of the applicant to proceed on such basis prior to making any grant award or such condition or modification will appear on the Notice of Grant Awarded.

(3) All grant awards shall be in writing. The Notice of Grant Awarded shall set forth the amount of funds awarded for the conduct of the approved project during the first budget period and the amount of annual support recommended for the remainder of the project period.

(4) The project for any grant under this subpart shall be specified in the Notice of Grant Awarded and shall begin no later than nine months following the

date of such award. In no case will a project be approved for a project period exceeding five years. Where the Secretary determines on the basis of a request by the grantee prior to the completion of the currently active grant that additional time is needed to permit the use of funds previously awarded but not expended, the approved project may be extended for a period of time not to exceed 12 months except that in no case may the project period exceed five years and six months. No additional support may be awarded for any portion of a project period in excess of five years.

(5) Neither the approval of any application nor the awarding of any grant shall commit or obligate the Federal Government in any way to make any additional, supplemental, continuation or other awards with respect to the project or any part of the project. For continuation support, grantees must make separate application annually and at such times and in such form as the Secretary may prescribe.

(b) *Determination of grant amount.* (1) The amount of any grant shall be determined by the Secretary on the basis of his estimate of the sum necessary for all or a designated portion of the direct costs of the project plus an additional amount for the indirect costs, if any, which will be calculated by the Secretary either:

(i) on the basis of the estimate of the actual indirect costs reasonably related to the project; or

(ii) on the basis of a percentage of all or a designated portion of the estimated direct costs of the project when there are reasonable assurances that the use of such percentage will not exceed the approximate actual indirect costs. Such award may include an estimated provisional amount for indirect costs or for designated direct costs such as fringe benefit rates subject to upward (within the limits of available funds) as well as downward adjustments to actual costs when the amount properly expended by the grantee for provisional items has been determined by the Secretary.

(2) For particular categories of small grants, such as dissertation research support, the Secretary may establish a limit on direct costs that is less than \$35,000 for the project period. Such limit will be announced in advance of the deadline for receipt of applications for such grants.

(c) *Supplemental awards.* The Secretary may make supplemental awards during the course of any budget period of an approved project where the Secretary finds on the basis of the applicant's written request and such progress and accounting reports as the Secretary may require that the amount of the award initially approved was less than the amount necessary to carry out the approved project activities for that period, or that a supplemental award to fund incremental activities not initially approved for the period would substantially further the objectives of the project. The Secretary may also make a supplemental

award where in his judgment such an award is necessary for the preparation of data in suitable form for transmittal in accordance with § 67.25. In cases where the award of any supplemental grant for a project exceeding \$35,000 in direct costs would result in supplemental awards (excluding any supplemental award for preparation of data) during the project period in the aggregate exceeding twenty percent (20%) of the approved direct costs of the project, the Secretary will obtain the views of the peer review group which first evaluated the initial application prior to making any such award. The peer review group shall submit a written report to the Secretary which describes the current status of the project, the basis for the request and the potential consequences of any request where the recommendation is to disapprove. In the case of small grants, the Secretary will not approve any supplemental grant award during the project period (excluding any supplemental award for preparation of data) which will in the aggregate exceed ten percent (10%) of the direct costs of the project.

(d) *Noncompeting continuation awards.* Where a grantee has filed an application for continuation support and within the limits of funds available for this purpose, the Secretary may make a grant award for an additional budget period of any previously approved project where the Secretary finds on the basis of such progress and accounting reports as may be required and after considering any recommendations made pursuant to this paragraph, that the project activities during the current budget period justify continued support of the project for an additional budget period. Each project with a project period in excess of two years and with direct costs over the project period in excess of \$35,000 will be reviewed during the second budget period and during each subsequent budget period (except for the last budget period of the project period) by at least two members of the same peer group which reviewed the proposal in accordance with § 67.14. Such group shall review the application for continuation support and make recommendations to the Secretary concerning the disposition of such application based upon its evaluation of:

(1) The progress of the project in meeting project objectives.

(2) The appropriateness of the management of the project and allocation of resources within the project.

(3) The adequacy and appropriateness of the plan for the carrying out of the project during the budget period in light of the accomplishments during previous budget periods, and

(4) The reasonableness of the proposed budget for the subsequent budget period.

Where the Secretary determines to continue support, the amount of grant award shall be determined in accordance with paragraph (b) of this section. Where the Secretary determines not to

continue a project for an additional budget period, the grantee will be notified in writing before the end of the current budget period.

§ 67.17 Project requirements.

A project supported under this subpart must be conducted in accordance with the following requirements:

(a) The project shall be carried out in accordance with the approved application.

(b) The principal investigator shall be responsible for the conduct of the project unless replaced by another individual found by the Secretary to be qualified to carry out such responsibilities. Where the principal investigator becomes unable to function in such capacity, the Secretary shall be notified as soon as possible.

§ 67.18 Grant payments.

The Secretary will from time to time make payments to the grantee of all or a portion of any grant award, either by way of reimbursement for expenses incurred in the budget period, or in advance for expenses to be incurred, to the extent he determines such payments are necessary to promote prompt initiation and advancement of the approved project. The amounts otherwise payable to any grantee shall be reduced by:

(a) Amounts equal to the fair market value of any equipment or supplies furnished to such grantee at their request by the Secretary for the purpose of conducting the approved project; and

(b) Amounts equal to the pay, allowances, traveling expenses, and related personnel expenses attributable to the performance of services by an officer or employee of the government in connection with such approved project, if such officer or employee was assigned or detailed by the Secretary at the request of the grantee to perform such services.

§ 67.19 Use of project funds.

(a) Any funds granted pursuant to this subpart shall be expended by the grantee solely for carrying out the approved project in accordance with the Act, the regulations of this subpart, the terms and conditions of the award, and the applicable cost principles, prescribed in Subpart Q of 45 CFR Part 74.

(b) The grantee may not in whole or in part delegate or transfer this responsibility for the use of such funds to any other person, or other legal entity, without the specific prior written approval of the Secretary.

(c) Prior approval by the Secretary is required whenever there is to be a significant change in the scope or nature of the approved project.

§ 67.20 Termination.

The termination of any grant under this subpart will be governed by the relevant provisions of Subpart M of 45 CFR Part 74 and the terms and conditions of the grant award. Where a grantee unilaterally terminates a portion of a grant, the Secretary may terminate such grant

in whole where he determines that the remaining portion of the grant will not accomplish the purposes for which the grant was made.

§ 67.21 Nondiscrimination.

(a) Attention is called to the requirements of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, U.S.C. 2000d et seq.), and in particular to section 601 of such Act, which provides that no person in the United States shall on account of race, color, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Regulations implementing Title VI which applies to grants made under this subpart have been issued by the Secretary with the approval of the President (45 CFR Part 80).

(b) Attention is called to the requirements of section 504 of the Rehabilitation Act of 1973, as amended, which provides that no otherwise qualified handicapped person in the United States shall, solely by reason of his handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

(c) Attention is also called to the requirements of Title IX of the Education Amendments of 1972 and in particular to section 901 of such Act which provides that no person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance.

(d) Grant funds used for remodeling, alteration or repairs shall be subject to the conditions that the grantee shall comply with the requirements of Executive Order 11246, 30 FR 12319 (September 24, 1965), as amended, and with the applicable rules, regulations, and procedures prescribed pursuant thereto.

§ 67.22 Human subjects and animal welfare.

(a) No award may be made under this subpart unless the applicant has complied with 45 CFR Part 46 and other applicable requirements pertaining to the protection of human subjects.

(b) No award may be under this subpart unless the applicant has complied with Chapter 1-43 of the Department of Health, Education, and Welfare Grants Administration Manual and any other requirements concerning animal welfare.

§ 67.23 Publications and copyright.

(a) *Copyright.* Except as may otherwise be provided under the terms and conditions of the award, the grantee is free to copyright any book or other copyrightable materials developed under the grant, subject to a royalty-free, non-exclusive and irrevocable license of the Department to reproduce, publish, alter, or otherwise use, and to authorize others to use the work for Government purposes. In any case in which a copyright

has been obtained, the Secretary shall be so notified.

(b) *Publications.* Any reports, papers, statistics, or other materials developed from work supported in whole or in part by an award made under this subpart shall be submitted to the Secretary. The Secretary may make such materials available and disseminate the material on as broad a basis as practicable and in such form as to make such materials understandable.

§ 67.24 Confidentiality.

No information obtained by a grantee in the course of its health services research, evaluation, or demonstration activities may be used for any purpose other than the purpose for which it was supplied (which shall include the disclosure of such information to the Secretary for carrying out his responsibilities under the Health Services Research, Health Statistics, and Medical Libraries Act of 1974, Pub. L. 93-353), unless authorized under regulations of the Secretary. Further, such information may not be published or released in other than statistical form if the person who supplied the information or who is described in it is identifiable unless such person has signed a written consent on such forms and in such manner as the Secretary may prescribe.

§ 67.25 Control of data.

Except as otherwise provided on the terms and conditions of the award and subject to the confidentiality requirements of § 67.24, all data collected or assembled for the purposes of carrying out health services research, demonstration, or evaluation projects supported under this subpart shall be made available to the Secretary upon request.

§ 67.26 Grantee accountability.

(a) *Accounting for grant award payments.* All payments made by the Secretary shall be recorded by the grantee in accounting records separate from the records of all other funds, including funds derived from other grant awards. With respect to each approved project the grantee shall account for the sum total of all amounts paid by presenting or otherwise making available evidence satisfactory to the Secretary of expenditures for direct and indirect costs meeting the requirements of this subpart: *Provided, however,* That when the amount awarded for indirect costs was based on a predetermined fixed-percentage of estimated direct costs, the amount allowed for indirect costs shall be computed on the basis of such predetermined fixed-percentage rates applied to the total or a selected element of the reimbursable direct costs incurred.

(b) *Accounting for royalties.* Royalties received by grantees from copyrights on publications or other works developed under the grant, or from patents or inventions conceived or first actually reduced to practice in the course of or under grant shall be accounted for as follows:

(1) Royalties received during the period of grant support as a result of copyrights or patents shall be retained by the grantee and, in accordance with the terms and conditions of the grant, be disposed of under either, or a combination, of the following options:

(i) Used by the grantee for any purposes that further the objectives of the legislation under which the grant was made.

(ii) Deducted from the total project costs for the purpose of determining the net costs on which the Federal share of costs will be based.

(2) Royalties received after the completion or termination of grant support shall be disposed of as follows:

(i) Patent royalties shall be governed by agreements between the Assistant Secretary for Health, Department of Health, Education, and Welfare, and the grantee pursuant to the Department's patent regulations (45 CFR Parts 6 and 8).

(ii) Copyright royalties may be retained by the grantee, unless the terms and conditions of the grant or a specific agreement negotiated between the Secretary and the grantee provide otherwise, except State or local government grantees which receive royalties in excess of \$200 a year shall return the Federal share of the excess amount (computed by applying the percentage of Federal participation in the cost of the grant supported project to the excess amount) to the Federal Government, unless a specific agreement provides otherwise.

(c) *Grant closeout.*—(1) *Date of final accounting.* In addition to such other special and periodic accounting as the Secretary may require, a grantee shall render with respect to each approved project a full account, as provided herein, as of the termination of grant support which shall be at the end of the project period or the date of any termination of grant support pursuant to the applicable provisions of Subpart M of 45 CFR Part 74 and the terms and conditions of the grant award.

(2) *Final settlement.* There shall be payable to the United States as final settlement with respect to each approved project the total sum of (i) any amount not accounted for pursuant to paragraph (a) of this section and (ii) any other amounts due pursuant to the applicable provisions of 45 CFR Part 74 and the terms and conditions of the grant award. Such total sum shall constitute a debt owed by the grantee to the United States and shall be recovered from the grantee or its successors or assigns by set-off or other action as provided by law.

§ 67.27 Applicability of 45 CFR Part 74.

The provision of 45 CFR Part 74, establishing uniform administrative requirements and cost principles, shall apply to all grants under subpart to States and local governments as those terms are defined in Subpart A of that Part 74. The relevant provisions of the following subparts of Part 74 shall also apply

to grants to other grantee organizations under this subpart:

(45 CFR Part 74.)

Subpart:

- A—General.
- B—Cash Depositories.
- C—Bonding and Insurance.
- D—Retention and Custodial Requirements for Records.
- F—Grant-Related Income.
- G—Matching and Cost Sharing.
- K—Grant Payment Requirements.
- L—Budget Revision Procedures.
- M—Grant Closeout, Suspension, and Termination.
- O—Property.
- Q—Cost Principles.

§ 67.28 Additional conditions.

The Secretary may, with respect to any grant awarded under this subpart, impose additional conditions prior to or at the time of any award when in his judgment such conditions are necessary to assure or protect advancement of the approved project or the conservation of grant funds.

[PR Doc. 77-16131 Filed 6-8-77; 8:45 am]

COMMUNITY SERVICES ADMINISTRATION

[45 CFR Part 1067]

DENIAL OF REFUNDING

AGENCY: Community Services Administration.

ACTION: Proposed rule.

SUMMARY: CSA proposes to revise its current rules requiring a show-cause hearing before it refuses to refund certain grantees. The present regulations were issued in 1970 before the adoption of the Community Services Act which changed OEO to CSA and its language does not reflect the new Act. This revision is intended to bring the language of this regulation up-to-date.

DATES: Comments on this proposed rule must be received by July 11, 1977.

ADDRESS: Please send all comments to: John C. Meyer, Office of General Counsel, Community Services Administration, 1200 19th Street NW., Washington, D.C. 20506.

FOR FURTHER INFORMATION CONTACT:

John C. Meyer (202) 254-5690.

SUPPLEMENTARY INFORMATION: Definitions formerly included in § 1067.1-3 and incorporated herein by reference are now included in this subpart. Owing to the operation of Section 601(c) of the Community Services Act, the Regional Directors are not included in the definition of "responsible CSA official" and cannot designate a CSA official to preside at the show-cause meeting although they themselves may be designated to preside. Since the meeting will always be conducted by a Headquarters official or his designee, § 1067.2-4(e) of this subpart so providing in certain situations is irrelevant and has been dropped. Section 1067.2-4(a) states that OEO (CSA) shall

"whenever possible" make a tentative decision on refunding at the time of the field prereview. This is not a legal requirement of due process under Section 604(2) and is often not observed. The purpose of mandating as much advance notice to the grantee as possible is already explicitly served by § 1067.2-4(c). Thus the § 1067.2-4(a) provision is unnecessary for this purpose and has been dropped. Finally, a provision requiring the grantee to exercise its right to ask for an informal meeting within 30 days has been added.

It is proposed to amend 45 CFR 1067.2 as follows:

Sec.

- 1067.2-1 Applicability of this subpart.
- 1067.2-2 Purpose.
- 1067.2-3 Definitions.
- 1067.2-4 Procedures.
- 1067.2-5 Right to counsel and travel expenses.

AUTHORITY: Sections 318, 602, 604 of the Community Services Act of 1974, as amended; 81 Stat. 695, 78 Stat. 528, 81 Stat. 715; 42 U.S.C. 2796, 2942, 2944.

§ 1067.2-1 Applicability of this subpart.

This subpart applies to all public and private grantees financially assisted under Sections 221, 222, and 312 of the Community Services Act of 1974, as amended, if the assistance is administered by the Community Services Administration.

§ 1067.2-2 Purpose.

This subpart establishes rules and review procedures for the denial of a current grantee's application for refunding under Section 221, 222, or 312 of the Act. It does not apply to any administrative action of CSA based upon any violation, or alleged violation, of Title VI of the Civil Rights Act of 1964. In the case of such violation or alleged violation, the provisions of 45 CFR 1010 (CSA Instruction 6004-01a) shall apply.

§ 1067.2-3 Definitions.

As used in this subpart—

- (a) The term "CSA" means the Community Services Administration.
- (b) The term "Director" means the Director of the Community Services Administration.
- (c) The term "responsible CSA official" means the Director, Deputy Director, and any other official who is authorized to make the grant in question.

§ 1067.2-4 Procedures.

(a) The procedures set forth in this subpart shall apply only when a grantee's application for refunding is denied or reduced to a level at least 20 percent below its current level of operations (programs in place). These procedures apply only to grants under section 221, 222, and 312 of the Act and apply only to denial or reduction of refunding as based on circumstances related to the particular grant, such as ineffective or improper use of Federal funds or noncompliance with CSA directives and grant conditions. Furthermore, these procedures do not apply to grants funded under Section 222 (a) which have specifically been identified

as one time only fundings by either the relevant policy statement or special conditions. These procedures do not apply to reductions based on general policy, reduced appropriations or in instances where regardless of a grantee's current level of operations (programs in place), its application for refunding is not reduced by 20 percent or more. (The reduction of a grantee's funding by at least 20 percent as discussed above shall hereinafter be included in and referred to as denial of application for refunding).

(b) CSA shall notify the grantee in writing of an intended denial of an application for refunding as far in advance of the end of the grantee's current program year as possible. This notice shall be signed by the responsible CSA official or, in the case of Regionally administered grants, the Regional Director of the grantee's Region. The notice shall state that CSA has made a tentative decision to deny the grantee's application for refunding and shall state the reasons for this decision. Finally, the notice shall offer the grantee an opportunity to show cause why CSA should not deny refunding, through the submission of written material to and/or an informal meeting with the responsible CSA official, or his designee. Any request for such an informal meeting must be made within 30 days of receipt of this notice.

(c) If the grantee requests an informal meeting as discussed in paragraph (b) of this section, it shall be scheduled as soon as possible but not less than 14 days after the date of the notice of denial of the application for refunding. If, without fault on the part of the grantee, its operating funds become exhausted before this informal meeting has taken place, it shall be afforded sufficient additional funding to maintain its existing level of program operations until the responsible CSA official has reached a decision on its refunding.

(d) This informal meeting shall be held in Washington, D.C., in the appropriate Regional Office, or in the city or county in which the grantee is located, at the discretion of CSA.

(e) If the official who conducts the meeting is not the responsible CSA official, he shall forward his recommendation, together with any written material submitted by the grantee, to the responsible CSA official. After conducting this meeting or receiving the recommendation of the CSA official who did conduct the meeting, the responsible CSA official shall inform the grantee in writing of his decision and the reasons for that decision.

§ 1067.2-5 Right to counsel and travel expenses.

(a) In all proceedings under this subpart, the grantee and CSA shall have the right to be represented by counsel or other authorized representatives. If the grantee does not have an attorney on its staff, the grantee's Board of Directors will be authorized to transfer sufficient funds from its current operating grant to pay reasonable attorney's fees. How-

ever, such fees shall not exceed \$100 per day without the express written approval of CSA.

(b) If this meeting is held outside the city or county in which the grantee is located, travel and per diem expenses may be paid from the grantee's current operating grant for an attorney and two other representatives of the grantee to attend the meeting. Such travel and per diem expenses shall conform to applicable CSA travel regulations (CSA Instructions 6910-1a and 6910-2c found in 45 CFR 1069.3 and 1069.4).

GRACIELA (GRACE) OLIVAREZ,
Director.

[FR Doc. 77-16327 Filed 6-8-77; 8:45 am]

FEDERAL MARITIME COMMISSION

[46 CFR Part 507]

[Docket No. 77-22]

ACTIONS TO ADJUST OR MEET CONDITIONS UNFAVORABLE TO SHIPPING IN THE FOREIGN TRADE OF THE UNITED STATES

AGENCY: Federal Maritime Commission.

ACTION: Proposed rule.

SUMMARY: The Federal Maritime Commission proposes to enact rules and regulations pursuant to section 19(1)(b) of the Merchant Marine Act of 1920 (46 U.S.C. 876(1)(b)) in order to adjust or meet conditions unfavorable to shipping in the foreign trade of the United States which result from discriminatory laws of the Government in Guatemala. These rules propose to require Guatemalan-flag carriers and their associates to pay an Equalization Fee designed to eliminate the discriminatory diversion of cargo to those carriers caused by the Guatemalan laws. These rules also propose to require such carriers to file Summary Reports of Cargo Carrying in the U.S. to Guatemala Trade and file an Equalization Fee Payment Guarantee with the Federal Maritime Commission.

DATES: Comments on or before: July 29, 1977.

ADDRESSES: Comments to: Secretary, Federal Maritime Commission, Room 11101, 1100 L Street, N.W., Washington, D.C. 20573.

FOR FURTHER INFORMATION CONTACT:

Joseph C. Polking, Acting Secretary, Room 11101, 1100 L Street, N.W., Washington, D.C. 20573, 202-523-5725.

SUPPLEMENTAL INFORMATION: Pursuant to the authority of section 19(1)(b), Merchant Marine Act, 1920 (46 U.S.C. 876), as implemented in Commission General Order No. 33 (46 CFR, Part 506), the Federal Maritime Commission, hereinafter referred to as the Commission, is authorized and directed to make rules and regulations affecting shipping in the foreign trade of the United States in order to adjust or meet general or special conditions unfavorable to shipping in the foreign trade of the United States and which arise out of, or result from, foreign laws, rules or regulations, or from competitive methods or practices employed by owners, operators, agents or masters of vessels of a foreign country.

The types of conditions which the Commission has found to be unfavorable to shipping in the foreign trade of the United States are generally set forth in 46 CFR 506.3. Among these are conditions which preclude or tend to preclude vessels in the foreign trade of the United States from competing in the trade on the same basis as any other vessel, and those which are discriminatory or unfair as between carriers. (46 CFR 506.3(a) and (d)).

Republic of Guatemala Decree No. 41-71 establishes a penalty of 50 percent of the freight charges paid on any goods imported into Guatemala which are duty free under the Guatemalan Industrial Development Laws or the Central American Agreement on Tax Incentives for Industrial Development and which are not carried on "Guatemalan carriers." More than 600 importing industries, accounting for the vast preponderance of Guatemalan imports from the United States, qualify for such duty free status for their imports under the Guatemalan Industrial Development Law or the Central American Agreement on Tax Incentives for Industrial Development.

Decree No. 41-71 defines the term "Guatemalan carriers" as those carriers owned by the State (Guatemala), or in which the State has a majority interest, or those private enterprises of which the capital is at least 75 percent Guatemalan and their vessels are of Guatemalan registry and have a capacity of no less than 2,000 tons. Guatemalan carriers may contract for the services of foreign carriers (known as "associated carrier"), in which case, duty free goods may be transported by the associated carriers to Guatemala without being subject to the aforementioned 50 percent penalty.

Despite repeated representations to the Guatemalan authorities by the United States Government and carriers serving the U.S. to Guatemala trade, urging rescission of Decree No. 41-71 insofar as it is applicable to good transported in those trades, to date, this Decree remains applicable to the foreign trades of the United States. As a practical matter, the preponderance of goods transported from the United States to Guatemala may not be transported on U.S. carriers or third flag carriers which have not entered into certain agreements with Guatemalan carriers, without incurring the 50 percent penalty provided for under Decree No. 41-71. This penalty has unfairly discriminated against U.S. carriers and third flag carriers presently engaged in the U.S. to Guatemala trade, as well as discouraged potential new entrants in these trades. In view of the limited cargo capabilities of Guatemalan carriers, Decree No. 41-71 may also have caused delays in the ocean transportation of goods in these trades.

By way of background, on July 1, 1975, Delta (Delta Steamship Lines, Inc.) filed

a petition with the Commission seeking relief under Section 19, Merchant Marine Act, 1920, from the effects of Decree No. 41-71.

On July 25, 1975, the Commission served fact finding Orders under Section 21 of the Shipping Act, 1916 (46 U.S.C. 820), on all carriers serving in the trade between the U.S. Atlantic and Gulf Coasts and Guatemala. Based upon the information obtained from these carriers, the Commission found that Guatemalan Decree No. 41-71 created conditions unfavorable to the foreign trade of the United States.

By letter dated December 4, 1975, the Chairman of the Commission notified the Secretary of State of the Commission's findings in this matter. The Chairman's letter asked the Department of State to seek a diplomatic resolution of the problem, and advised that, absent such resolution by February 14, 1976, the Commission would have no recourse but to promulgate a final regulation that would impose countervailing fees on Guatemalan carriers and associated carriers transporting goods from the United States which are to be imported duty-free into Guatemala.

On February 4, an earthquake devastated Guatemala and the Commission agreed, at the request of the Department of State, to postpone the implementation of this regulation.

In light of the lack of progress in the diplomatic negotiations with the Government of Guatemala, on August 16, 1976, the Chairman of the Commission notified the Secretary of State that the Commission had decided to issue forthwith a proposed rule pursuant to the authority of Section 19(1)(b) of the Merchant Marine Act, 1920.

Issuance of this rule was postponed on the basis of assurances by representatives of the Guatemalan flag lines of a satisfactory resolution of the problem. This contemplated resolution having failed to materialize and negotiations having reached an impasse, the proposed rule is now issued.

This rule proposes the imposition of an Equalization Fee on all Guatemalan vessels and the vessels of their associated carriers transporting goods from the United States to Guatemala which may be imported into Guatemala duty free under the Guatemalan Industrial Development Laws or the Central American Agreement on Tax Incentives for Industrial Development. This Equalization Fee, amounting to 50 percent of the freight charges, is calculated to offset the penalty imposed under Decree No. 41-71 for the transportation of such goods on carriers other than Guatemalan carriers or associated carriers. Thus, the Equalization Fee is designed to eliminate the discriminatory diversion of cargo to certain carriers in the U.S. to Guatemala trade resulting from Decree No. 41-71, and to place all carriers in those trades on an equal competitive footing. Under the proposed rule, Guatemalan carriers and associated carriers which are authorized under Decree No.

41-71 to transport duty free goods from the United States to Guatemala, will be designated as "favored carriers."

A "favored carrier" must file an Equalization Fee Guarantee with the Commission to ensure that all Equalization Fees will be paid. The Equalization Fee Guarantee will be in an amount equal to one-sixth of the total freight charges earned by the favored carrier on cargo which it loaded in the United States for unloading in Guatemala during the preceding twelve months, or equal to \$75,000, whichever is greater. It is believed that this amount would be adequate to cover the total Equalization Fees which any favored carrier might accrue and not pay in a timely fashion.

The proposed rule would establish a procedure for the favored carrier to report data pertaining to each voyage from the United States to Guatemala by each vessel of the favored carrier, including the freight charges on which Equalization Fees must be paid. Such reports would have to be filed with the Commission within four calendar days following departure of each vessel from the United States and be accompanied by the Equalization Fee arising from that particular voyage. Failure to comply with the requirements of this rule could result in the detention of a vessel of any "favored carrier" which has loaded in the United States any cargo ultimately destined to be imported into Guatemala.

Interested persons may participate in this rulemaking by submitting written data, views or arguments to the Secretary, Federal Maritime Commission, Room 11101, 1100 L Street, NW., Washington, D.C. 20573, on or before July 29, 1977.

Therefore, pursuant to Section 19(1) (b) of the Merchant Marine Act, 1920 (46 U.S.C. 876(1)(b)) and sections 21 and 43 of the Shipping Act, 1916 (46 U.S.C. 820, 841a), the Commission proposes to enact Part 507, Title 46 CFR, as follows:

PART 507—ACTIONS TO ADJUST OR MEET CONDITIONS UNFAVORABLE TO SHIPPING IN THE FOREIGN TRADE OF THE UNITED STATES

- Sec.
507.1 Conditions unfavorable to shipping in foreign trade with Guatemala.
507.2 Favored carriers without surety precluded from U.S. trade.
507.3 Equalization fee guarantee.
507.4 Summary reports of cargo carryings.
507.5 Equalization fees.
507.6 Delinquent reports or fees.
507.7 Additional remedies.

AUTHORITY: General Order No. 33 (46 CFR 506); sec. 19(1)(b), Merchant Marine Act, 1920 (46 U.S.C. 876(1)(b)); sec. 4, Administrative Procedure Act (5 U.S.C. 553); secs. 21 and 43, Shipping Act, 1916 (46 U.S.C. 820, 841a), and Reorganization Plan No. 7 of 1961 (75 Stat. 840).

§ 507.1 Conditions unfavorable to shipping in foreign trade with Guatemala.

The Federal Maritime Commission has determined that the Government of Guatemala has created conditions un-

favorable to shipping in the foreign trade of the United States by precluding vessels of United States and third flag registry from competing in the ocean trade between the United States and Guatemala on the same basis as Guatemalan carriers or non Guatemalan carriers which are associated with the former, and by discriminating thereby against vessels of United States and third flag registry in favor of Guatemalan carriers and their associated carriers. For the purposes of this part, the term "favored carriers" will be used to indicate the following Guatemalan carriers or their associated carriers receiving preferential treatment as a result of Republic of Guatemala Decree No. 41-71: (a) Armagua Line; (b) Flota Mercante Centroamericana, S.A. (Flomerca); (c) Flomerca Trailer Service; (d) Lineas Maritimas de Guatemala, S.A.; and (e) Coordinated Caribbean Transport, Inc. (CCT). The Commission will modify this list of "favored carriers" by notice in the Federal Register, as circumstances warrant.

§ 507.2 Favored carriers without surety precluded from U.S. trade.

No vessel owned, operated, or controlled by or carrying cargo for the account of, a favored carrier, shall load any cargo ultimately destined for Guatemala from any port or point in the United States or exit a United States harbor while carrying such cargo unless such carrier has an Equalization Fee Guarantee on file with the Federal Maritime Commission. Any vessel which violates this section may be precluded from entering any port of the United States by an Order of the Commission.

§ 507.3 Equalization fee guarantee.

A favored carrier must file an Equalization Fee Guarantee by filing FMC Form ----, with the Secretary, Federal Maritime Commission, Room 11101, 1100 L Street NW., Washington, D.C., U.S.A.

- (a) FMC Form ---- shall include:
(1) The name and flag of registry of each vessel owned, operated, controlled, or carrying cargo for the account of the "favored carrier" operating in the trade from the United States to Guatemala at any time during the twelve months immediately preceding the month of the application and the name and flag of each vessel expected to operate in such trade in the twelve months immediately following the month of application;
(2) The total for each month of freight charges earned by each vessel on cargo loaded in the United States and unloaded in Guatemala during the twelve months immediately preceding the month of the application.

(b) FMC Form ---- must be accompanied by a surety bond (FMC Form ----), or certified check payable to the Secretary of the Federal Maritime Commission, in a U.S. dollar amount equal to one sixth the freight charges earned by all the vessels identified in the application, on cargo loaded in the United States for unloading in Guatemala dur-

ing the twelve months immediately preceding the month of the application, or in a U.S. dollar amount of \$75,000, whichever is greater.

(c) For purposes of this regulation, freight charges are earned as of the date on which the vessel departs its last U.S. port of call.

(d) Surety bonds (FMC Form ----) must be issued by, and be within the acceptable financial limits of, a bonding company doing business in the United States and listed as a Security Company Acceptable on Federal Bonds by the current Department of the Treasury Circular 579. Certified checks must be issued by a bank or trust company incorporated under the laws of the United States, the District of Columbia, or any State of the United States.

(e) In the event that any Equalization Fee Guarantee is used to satisfy any delinquent Equalization Fees under § 507.5 and 507.6 below, such carrier will not be allowed to pick up cargo in U.S. ports, or exit any U.S. port while carrying U.S. cargo bound for Guatemala until a new Equalization Fee Guarantee is filed. The filing of a new Equalization Fee Guarantee will not be accepted until all outstanding Summary Reports of Cargo Carryings required under § 507.4 of this Part, have been filed, and all Equalization Fees required under § 507.5, of this Part have been paid in full.

§ 507.4 Summary reports of cargo carryings.

(a) Within four calendar days after departure from the last United States port of call of any vessel carrying cargo ultimately destined for Guatemala which is owned, operated or controlled by, or carrying cargo for the account of, a favored carrier, such favored carrier shall file with the Federal Maritime Commission, Office of the Secretary, Washington, D.C. 20573, a Summary Report of Cargo Carryings in the Guatemala Trade (FMC Form ----) showing:

- (1) The date of the Report;
- (2) The date the vessel departed its last U.S. port of call;
- (3) Name of the carrier;
- (4) Name and flag registry of the vessel;
- (5) The total cargo loaded in the United States by such vessel;
- (6) The freight charges assessed thereon;
- (7) The ports of loading in the United States;
- (8) Ports of discharge by name and country;
- (9) That portion of such total cargo which is to be imported into Guatemala duty free (either directly or through transshipment) pursuant to the Guatemalan Industrial Development Law or the Central American Agreement on Tax Incentives for Industrial Development, and the applicable freight charges thereon; and
- (10) For each shipment bound for Guatemala (either directly or through transshipment),

- (i) The name of the shipper;
- (ii) The name and address of the consignee;
- (iii) The tariff description of the cargo;
- (iv) The revenue tons;
- (v) The freight charges, enumerating:
 - (A) The tariff rate,
 - (B) Surcharges and arbitraries,
 - (C) Other charges properly assessed against the cargo,
 - (D) The total of all such charges;
- (vi) Whether such cargo is exempt from Guatemalan import duties pursuant to the Guatemalan Industrial Development Law or the Central American Agreement on Tax Incentives for Industrial Development.

(b) For the purposes of these rules the term "shipment" shall mean the carriage of a single commodity tendered by one shipper to be delivered to one consignee; the term "revenue tons" shall mean the total of (1) cargo rated by weight tons, and (2) cargo rated by measurement tons; the term "total freight" shall mean the total revenue derived from the carriage of cargo, including (1) the tariff rate, (2) surcharges and arbitraries, and (3) all other transportation charges properly assessed against the cargo.

§ 507.5 Equalization fees.

Each "favored carrier" required to file a report pursuant to the provisions of § 507.5, above, shall at the time of such filing, pay to the Office of the Secretary, Federal Maritime Commission, Room 11101, 1100 L Street NW., Washington, D.C. 20573, in cash, or by certified check for the account of the Treasurer of the United States, an Equalization Fee in U.S. dollars equal to 50 percent of the ocean freight rate on all goods, merchandise, or cargo included and described in such report, as exempt from Guatemalan import duties pursuant to the Guatemalan Industrial Development Laws or the Central American Agreement on Tax Incentives for Industrial Development. Certified checks must be issued by a bank or trust company incorporated under the laws of the United States, the District of Columbia, or any State of the United States.

§ 507.6 Delinquent reports or fees.

If any favored carrier is delinquent for fifteen calendar days in filing any Summary Report of Cargo Carrying in the Guatemala Trade under § 507.4, above, or paying any Equalization Fee under § 507.5, above, the Commission may enter an Order declaring that no vessel owned, operated or controlled by, or carrying cargo for the account of such favored carrier may enter any port of the United States, or load cargo in the United States which is to be imported into Guatemala, or exit any U.S. port while carrying such cargo until such time as all the required reports have been filed, and all of the Equalization Fees due thereon have been filed, and all of the Equalization Fees due thereon have been paid. If any Summary Report of Cargo Carrying in the Guatemala Trade or any Equalization Fee is delinquent for more than 30

calendar days, the Equalization Fee Guarantee (surety bond or certified check) posted by the carrier may be used to satisfy the amounts due the United States for nonpayment of the equalization fees.

§ 507.7 Additional remedies.

Whoever fails to comply with the provisions of this section shall be subject to all applicable remedies and penalties provided by law, in addition to those provided herein.

By the Commission.

JOSEPH C. POLKING,
Acting Secretary.

[FR Doc. 77-16281 Filed 6-8-77; 8:45 am]

INTERSTATE COMMERCE COMMISSION

[49 CFR Part 1124]

[Ex Parte No. 277 (Sub-No. 1)]

ADEQUACY OF INTERCITY RAIL PASSENGER SERVICE

AGENCY: Interstate Commerce Commission.

ACTION: Reopening of rulemaking proceeding for consideration of proposed amendment.

SUMMARY: The Interstate Commerce Commission granted the petition of the Kentucky Easter Seal Society for Crippled Children and Adults, Inc., to reopen the rulemaking proceeding in Ex Parte No. 277 (Sub-No. 1), Adequacy of Intercity Rail Passenger Service, for consideration of the compliance of the regulations at 49 CFR 1124.14(b) and 1124.15(b) with section 504 of the Rehabilitation Act of 1973, 29 U.S.C. section 794, and for consideration of the amendments to the above-cited regulations proposed by petitioner. Any interested person may submit comments.

DATES: Notice of intent to participate must be filed with the Commission on or before June 17, 1977. Initial statements must be filed on or before July 10, 1977. Reply statements must be filed on or before July 30, 1977.

FOR FURTHER INFORMATION CONTACT:

Philip Israel, Deputy Director, Section of Finance, Interstate Commerce Commission, Washington, D.C. 20423 (202-275-7245).

SUPPLEMENTARY INFORMATION: The regulations to be considered in this proceeding deal generally with the duty of rail carriers to provide equipment, facilities, and services which shall facilitate railroad travel by elderly and handicapped persons.

Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. section 794, requires carriers to provide "necessary assistance" to handicapped individuals who require it. "Necessary assistance" is defined as "that which is commensurate to the needs of the handicapped individual and which will require the minimum ad-

vance notice, procedural requirements, delay, and cost by or for the handicapped individual."

Petitioner alleges that the regulations do not comply with the mandate of the Rehabilitation Act. Petitioner proposes the following revision to 49 CFR 1124.15 (b):

§ 1124.15 Services required to meet public demand.

(b) (1) *Definition.* For the purpose of these regulations the definition of handicapped individual shall be the same as the definition in Section 7(6) of the Rehabilitation Act, 29 U.S.C. 706(6) which states that the term handicapped individual includes any person who (i) has a physical or mental impairment which substantially limits one or more of such person's major life activities, (ii) has a record of such an impairment, or (iii) is regarded as having such an impairment.

(2) *Transportation.* (i) No carrier shall deny transportation to any person on the basis of a handicap, physical disability, or blindness because that person cannot board a train without assistance or use on-train facilities without assistance.

(ii) Handicapped persons that are acceptable for transportation without an attendant include, but are not limited to, persons confined either temporarily or permanently to wheelchair usage, paraplegics (persons with paralysis of the lower half of the body), arthritics, blind persons, elderly individuals, persons with arms or legs in casts or splints, persons affected by stroke, and amputees provided they meet the following criteria:

(A) Can occupy a seat.
(B) Can feed themselves and take care of most of their personal needs.

(C) Have a physician's written approval for independent travel dated within one year of ticket purchase.

(iii) Handicapped persons that are acceptable for transportation with an attendant include but are not limited to:

(A) Non-ambulatory persons who cannot meet all three criteria above.

(B) Handicapped person who:

(1) Are confined to bed or stretcher.

(2) Need special life support equipment such as a respirator or oxygen tank.

(3) Have to be put on train by removal of car window.

(iv) The handicapped traveler who fits the requirements of paragraph (b)(2)

(iii)(B) of this section, shall make the needed special arrangements with the carrier's agent or representative at least 96 hours in advance of planned departure.

(3) *Assistance.* (i) All carriers at all stations and terminals except flag stops shall, upon advance notice of 30 minutes or more, provide assistance to the non-ambulatory handicapped who meet the following criteria:

(A) Can occupy a seat.

(B) Can feed themselves and take care of most of their personal needs.

(C) Have a physician's written approval for independent travel dated within one year of the date of ticket purchase.

(ii) All carriers at all stations and terminals except flag stops shall upon advance notice of 30 minutes or more provide assistance to handicapped persons traveling with an attendant or companion who meet the following criteria:

(A) Can occupy a seat.

(B) Have a physician's written approval for travel with an attendant or companion dated within one year of date of ticket purchase.

(iii) Such assistance shall include, but is not limited to, advance boarding and carrying on passengers occupying wheelchairs from station platform onto the train and to a seat. The carriers shall provide the same assistance to the handicapped as they leave the train and re-boarding another train in the process of changing trains in accordance with their ticket or desire.

(iv) Carriers shall provide assistance upon request to the handicapped in the use of station and terminal facilities and in the handling of baggage.

(v) All carriers at all stations and terminals shall designate a local representative or agent to be responsible and accountable for providing the assistance required or requested by a handicapped person or passenger holding a valid ticket.

(vi) There shall be prominently displayed in all stations and terminals a notice stating title and location of the local carriers representative or agent who is responsible for providing assistance to the handicapped traveler.

(4) Assistance to handicapped, disabled, blind, and elderly in the use of on-train facilities.—(i) Coach service. All carriers on all intercity trains shall upon request provide assistance to handicapped passengers in the use of rest and washroom facilities and helping handicapped passengers get from seat to on-board wheelchair on the coach.

(ii) Sleeping car service. All carriers on all trains where sleeping car service is provided shall upon request provide the handicapped, disabled, blind, or elderly assistance in the use of the facilities provided in various accommodations such as roomette, bedroom, and compartment.

(iii) Dining and lounge car service. All carriers where dining cars, food service cars, lounge cars are provided shall upon request provide meal, beverage, and snack service to the handicapped in the coach or sleeping car accommodations.

(iv) Assistance with wheelchair, walkers, crutches, and canes. All carriers shall provide coach or sleeping car space to store such orthopedic aids as wheelchairs, walkers, crutches, and canes. These orthopedic aids shall be stored on the same coach or sleeping car on which the handicapped user rides or has a reservation.

(v) Notice of assistance provided in the use of on-board facilities. All carriers on all trains shall designate an on-board

representative or agent to be responsible and accountable for providing the assistance required or requested by handicapped passengers on the train. All carriers on all coaches, sleeping cars, dining cars, food service cars, and lounge cars shall permanently display a notice stating where and from whom assistance in the use of facilities of the various cars may be obtained. This assistance includes but is not limited to helping the handicapped with on-board wheelchairs while they are moving from one car to the other, as well as rendering assistance in the use of various on-board facilities.

The Commission will prepare and make available to all persons submitting notices of intent to participate a service list which will contain the names and addresses of all persons participating in this proceeding. Such participants shall, whenever possible, file an original and 15 copies of each statement filed with the Commission and serve on each person on the service list in accordance with the schedule for submissions of comments and reply statements to be set by an order to be served concurrently with issuance of the service list of participants in the proceeding.

All written submissions will be available for public inspection during regular business hours at the Offices of the Interstate Commerce Commission, 12th Street and Constitution Avenue, Washington, D.C. 20423.

By the Commission.

ROBERT L. OSWALD,
Secretary.

[FR Doc.77-16372 Filed 6-8-77;8:45 am]

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[50 CFR Part 17]

ENDANGERED AND THREATENED WILDLIFE AND PLANTS

Proposed Reclassification of the Gray Wolf in the United States and Mexico, With Proposed Critical Habitat in Michigan and Minnesota

AGENCY: U.S. Fish and Wildlife Service, Interior.

ACTION: Proposed rulemaking.

SUMMARY: The Director, U.S. Fish and Wildlife Service (hereinafter, the Director and the Service, respectively), hereby issues a proposed rulemaking, pursuant to the Endangered Species Act of 1973 (16 U.S.C. 1531-1543, 87 Stat. 884; hereinafter the Act), which would (1) delete the following subspecific names from the List of Endangered and Threatened Wildlife: Mexican wolf (*Canis lupus baileyi*), northern Rocky Mountain wolf (*C. l. irremotus*), eastern timber wolf (*C. l. lycaon*), and Texas gray wolf (*C. l. monstrabilis*); (2) list the entire species gray wolf (*Canis lupus*) as Endangered in Mexico and throughout the 48 conterminous States of the United States, except Minnesota; (3) list the species *Canis lupus* as Threatened in Minnesota;

(4) establish special regulations for the conservation of the gray wolf in Minnesota; and (5) designate Critical Habitat for the gray wolf in Michigan (Isle Royale National Park only) and Minnesota, pursuant to Section 7 of the Act. With respect to the wolf in Minnesota, these measures are deemed necessary and advisable to provide for the future well-being of the species. Although an increased legal take of wolves committing depredations on domestic animals would be authorized, this take could be intended to ameliorate present conflict between the wolf and human interests. Such conflict would hinder conservation efforts and thus work against the long-term welfare of the wolf. A legal take is considered the only practical means by which depredations can be handled and the current problems relieved.

DATES: Relevant comments on this proposal, received no later than August 8, 1977, will be considered by the Director.

ADDRESS: Comments, preferably in triplicate, should be sent to the Director (FWS/OES), Fish and Wildlife Service, U.S. Department of the Interior, Washington, D.C. 20240.

Comments received will be available for public inspection during normal business hours at the Service's Office of Endangered Species, Suite 1100, 1612 K Street, NW., Washington, D.C. 20240.

FOR FURTHER INFORMATION CONTACT:

Mr. Keith M. Schreiner, Associate Director for Federal Assistance, Fish and Wildlife Service, U.S. Department of the Interior, Washington, D.C. 20240 (202/343-4646).

SUPPLEMENTARY INFORMATION:

BACKGROUND

The gray wolf formerly occurred in most of the conterminous United States and Mexico. Because of widespread habitat destruction and human persecution, the species now occupies only a small part of its original range in these regions. Four subspecies of the gray wolf now are listed as Endangered pursuant to the Act: the Mexican wolf (*Canis lupus baileyi*), of Mexico and the southwestern United States; the northern Rocky Mountain wolf (*C. l. irremotus*), possibly still found in parts of Wyoming, Montana, and Idaho; the eastern timber wolf (*C. l. lycaon*), now restricted to the northern Great Lakes region; and the Texas gray wolf (*C. l. monstrabilis*), formerly of Texas and Mexico and now probably extinct. This listing arrangement has not been satisfactory because the taxonomy of wolves is out of date, wolves may wander outside of recognized subspecific boundaries, and some wolves from unlisted subspecies may occur in certain parts of the lower 48 States. In any case, the Service wishes to recognize that the entire species *Canis lupus* is Endangered or Threatened to the south of Canada, and considers that this matter can be handled most conveniently by listing only the species name.

This proposal, if finalized, also would clarify the status of wolves within the designated range of *C. l. irremotus* and *C. l. lycaon* in Canada. These two subspecies were originally listed as Endangered at a time when there were two separate lists of endangered species, one for foreign wildlife and one for native wildlife. Both subspecies were added only to the latter list, a published in the FEDERAL REGISTER of January 4, 1974 (39 FR 1171-1176), and thus for legal purposes were considered to be Endangered only within the United States. Subsequently, the two two lists were combined into one List of Endangered and Threatened Wildlife, covering both native and foreign species, as published on October 27, 1976 (41 FR 47180-47198). Examination of this list may give the impression that *C. l. irremotus* and *C. l. lycaon* are considered Endangered over their entire ranges, including Canadian areas. The present proposal would clearly indicate that the gray wolf is listed everywhere to the south of the Canadian border, but nowhere to the north.

Most current interest in the gray wolf centers on the eastern timber wolf, especially in Minnesota. As delineated by recent systematic sources, the original range of the subspecies *C. l. lycaon* included most of the region from Georgia to Maine, and between the Atlantic and the Great Plains. At present, however, the only substantial gray wolf population remaining in this region is in northern Minnesota. There also is a group on Isle Royale in Lake Superior, and possibly a few scattered individuals in northern Michigan and Wisconsin.

The eastern timber wolf was listed as Endangered in 1967, at a time when no Threatened category had been established by Federal legislation. Over the last decade the wolf continued to survive in northern Minnesota, and it became apparent that the species was not in immediate danger of being extirpated in the State. Numbers have fluctuated, but seem to have increased in some areas, and there has been an overall increase in range. Some wolves have entered areas with relatively extensive human settlement and made depredations on domestic animals. Many people have expressed concern about such depredations, and about the possibility that wolves could be detrimental to some deer herds in Minnesota, which have been undergoing a general decline because of several factors including habitat deterioration.

In a letter dated October 4, 1974, the Minnesota Department of Natural Resources petitioned the Service to exclude Minnesota from the range over which the eastern timber wolf is considered Endangered. In response, the Service issued a notice of review in the FEDERAL REGISTER of November 21, 1974 (39 FR 40877). Extensive public comment was received on this notice, mainly opposition from persons who were concerned that removal of the wolf from Endangered status would subject the species to excessive killing by man. Some support for delisting the wolf came from persons who felt that the continued total protec-

tion of the Endangered classification would result in serious depredations by the wolf on livestock and game.

Further measures by the Service were withheld pending formulation of recommendations by the Eastern Timber Wolf Recovery Team. This team, one of many appointed by the Service to develop Recovery Plans for Endangered and Threatened species, consists of authorities representing the U.S. Fish and Wildlife Service, Forest Service, and National Park Service; and the Minnesota, Michigan, and Wisconsin Departments of Natural Resources. During 1975 the team drafted a Recovery Plan for the wolf, which included recommendations on the classification and management of the species in Minnesota. Because of the complexity of the issue, the draft was subjected to a lengthy review process and then was revised by the team. In late 1976 the team submitted a new draft containing the following recommendations.

1. The eastern timber wolf would be reclassified as Threatened in Minnesota, but would remain as Endangered in other parts of its range.

2. For purposes of wolf management in Minnesota, the State would be divided into the five zones delineated below in proposed § 17.40(d) (1).

3. In zones 1, 2, and 3, which form the primary range of the wolf, the species would be given total protection, at least for the first year of the plan, except that in rare, specific documented cases of livestock depredation wolves could be taken in zones 2 and 3. After one year of monitoring, the situation would be reviewed to see if modification of the total protection in zones 2 and 3 was warranted.

4. In zone 4, which is the peripheral range of the wolf, the species would be open to the degree of regulated hunting and trapping necessary to maintain an optimum population of one wolf per 50 square miles. During the first year of the plan the allowed take would be 100 wolves, with assumed additional kills of 60 wolves in damage control programs and another 60 by illegal means. Taking was said to be advisable to prevent wolf populations from increasing to the point at which conflicts with human interests would be so intensive as to be detrimental to the survival and recovery of the species.

5. In zone 5, which has no regular wolf populations, taking would be restricted to authorized government employees only.

After reviewing the draft Recovery Plan, and other information, the Service has decided to accept the above recommendations, except that taking in zone 4 would be restricted to authorized Federal and State agents, and would be allowed only in response to specific, confirmed complaints of depredation on domestic animals. For the time being, the Service sees no justification for allowing the take of non-depredating wolves. The Service could, however, continue to monitor the situation, as recommended by the team, and would propose new regulations whenever warranted.

SUMMARY OF FACTORS AFFECTING THE SPECIES

As defined in Section 3 of the Act, the term "species" includes any subspecies of fish or wildlife or plants and any other group of fish or wildlife of the same species or smaller taxa in common spatial arrangement that interbreed when mature. For purposes of this rulemaking, the gray wolf (*Canis lupus*) group in Mexico and the 48 conterminous States of the United States, other than Minnesota, is being considered as one "species", and the gray wolf group in Minnesota is being considered as another "species".

Section 4(a) of the Act states that the Secretary of the Interior may determine a "species" to be Endangered or Threatened because of any of five factors. These factors, and their application to the gray wolf in Minnesota, and to the gray wolf in the other 48 conterminous States of the United States and in Mexico, are listed below.

1. *The present or threatened destruction, modification, or curtailment of its habitat or range.* The gray wolf once had a range that included most of Mexico and the 48 conterminous States of the United States. The species now occurs in only a small fraction of this range, and is very rare in most places where it does exist. Perhaps fewer than 200 wolves survive in Mexico, and these are widely scattered and subject to intensive human pressure. In the southwestern United States the wolf probably is present only as an occasional wanderer near the Mexican border. In the northwestern United States the wolf is restricted mainly to remote parts of the Rocky Mountains, though some individuals may wander from this region, or from Canada, into other areas. In the eastern half of the United States the gray wolf has been totally eliminated by man, except in the upper Great Lakes region. Here, there is a group on Isle Royale, and possibly a few in northern Michigan and Wisconsin. The only major population of the gray wolf remaining anywhere in the 48 conterminous States is in northern Minnesota. This population, while small compared to the original numbers and range of the gray wolf in the lower 48 States, has not itself undergone a significant decline since about 1900. Indeed, within the last decade there appears to have been a numerical increase in some areas, and an overall range increase. The relatively remote primary habitat of the population, which is composed in large part of protected public lands, along with the continuity of the population with other populations in Canada, has contributed to the survival of the wolf in Minnesota. There appear to be no serious problems that could result in the immediate extirpation of the species in this area, and thus the population would not seem to be Endangered as defined by the Act. On the other hand, the Minnesota population does represent the last significant element of a species that once occupied a vastly larger range in the lower 48 States, and long term trends

may be working against the wolf. To quote the Recovery Plan, "Future circumstances are unpredictable and those that now exist could change drastically. For example, widespread industrialization, mineral exploitation, and general development could threaten much of the wolf's remaining range, making regulation increasingly significant to the populations left. Additional roads, railroads, power lines, mines and tourist facilities could further carve up much of northern Minnesota. This would disrupt the natural repopulation of depleted areas by wolves and promote higher human densities which would compete with wolves for their wild prey." Moreover, in recent years there has been a decline in deer, the main prey species, in parts of the primary range of the wolf. This decline has resulted primarily from forest maturation and severe winter weather. Wolf numbers have declined accordingly in some of these areas. In contrast, wolves have increased in their peripheral range where they are more likely to come into conflict with human interests and thus stimulate action against them. These various problems would seem to warrant the maintenance of a Threatened classification for the wolf in Minnesota.

2. *Overutilization for commercial, sporting, scientific, or educational purposes.* Direct killing by man, including large-scale commercial and sport taking, has been the major direct factor in the decline of wolves in the conterminous United States and Mexico. Wolves still are regularly shot, especially when they appear in settled areas that are not part of their regular range. Illegal killing is a problem in Minnesota and other areas where the wolf still occurs.

3. *Disease or predation.* Not applicable.

4. *The inadequacy of existing regulatory mechanisms.* There still are some places in the lower 48 States, such as Washington and North Dakota, where wolves may occur and where they are not under Federal protection. Moreover, because of the confusing taxonomy of wolf subspecies, and because wolves may wander across recognized subspecific boundaries, difficult law enforcement problems may arise. In Minnesota, wolves are totally protected under the Act, but this total protection may actually be working against the species. By prohibiting the killing of wolves, even those that may be attacking livestock and pets, current regulations may be creating an adverse public attitude toward the whole species, and could bring about large-scale, uncontrollable killing of wolves.

5. *Other natural or manmade factors affecting its continued existence.* None in addition to those discussed above.

CRITICAL HABITAT

Section 7 of the Act requires Federal agencies, and only Federal agencies, to insure that actions authorized, funded, or carried out by them do not adversely affect the Critical Habitat of Endangered or Threatened species. The Recovery Team has described zones 1, 2, and 3

in Minnesota, and Isle Royale National Park, Michigan, as "critical areas" for the wolf. These areas provide the space for normal growth and movement of established pack units and would supply sufficient food and cover for the assured survival of the species. The Service considers that these areas qualify for proposal as Critical Habitat, pursuant to Section 7, and that Federal agencies should evaluate their actions affecting these areas relative to the welfare of the wolf.

EFFECTS OF THE RULEMAKING

With respect to the gray wolf in the 48 conterminous States of the United States, except Minnesota, and in Mexico, all prohibitions of Section 9(a)(1) of the Act, as implemented by 50 CFR 17.21 would apply. These prohibitions, in part, would make it illegal for any person subject to the jurisdiction of the United States to take, import or export, ship in interstate commerce in the course of a commercial activity, or sell or offer for sale in interstate or foreign commerce this species. It also would be illegal to possess, sell, deliver, carry, transport, or ship any such wildlife which was illegally taken. Certain exceptions would apply to agents of the Service and State conservation agencies. Permits for scientific purposes or for the enhancement of propagation or survival would be available in accordance with 50 CFR 17.22. Economic hardship permits would be available under 50 CFR 17.23. For practical purposes these measures already are in effect since nearly all wolves that regularly occur in the region in question are currently listed as Endangered. The proposed rulemaking would extend Endangered status to those few wolves that may be in the region that are not already listed, and would simplify law enforcement and conservation measures.

With respect to the gray wolf in Minnesota, which would be listed as Threatened, a special rule would be promulgated which would apply provisions similar to those of 50 CFR 17.31, and an rare additional provision for depredation control. The prohibitions of 50 CFR 17.31 are essentially the same as those for Endangered species, except that "any employee or agent of the Service, of the National Marine Fisheries Service, or of a State conservation agency which is operating under a Cooperative Agreement with the Service or with the National Marine Fisheries Service, in accordance with Section 6(c) of the Act, who is designated by his agency for such purposes, may, when acting in the course of his official duties, take any threatened wildlife to carry out scientific research or conservation programs." In accordance with 50 CFR 17.32, permits for Threatened wildlife are available for scientific purposes, enhancement of propagation or survival, economic hardship, zoological exhibitions, educational purposes, or special purposes consistent with the purposes of the Act.

The provisions for predator control would state that wolves could be taken

by authorized Federal or State employees in zones 2, 3, 4, and 5, if such wolves committed significant depredations on lawfully present domestic animals. Few, if any, of these wolves would be taken in zones 2 and 3 which have practically no livestock, and nearly all would be taken in zone 4. Essentially then, the wolf population in zones 1, 2, and 3 would not be affected by the depredation control activity. The population in zone 4 might be held below biological potential, but would continue to exist in reasonable numbers. The control of depredating wolves in zone 4 would reduce conflicts with human interests and should create a more favorable public attitude that would be of overall benefit to the wolf.

The effects of Critical Habitat determination involve Federal agencies. In accordance with Section 7 of the Act, such agencies, and only such agencies, are required to insure that actions authorized, funded, or carried out by them do not adversely affect the Critical Habitat of Endangered or Threatened species. The proposed designation of Critical Habitat for the gray wolf in Minnesota, as delineated below, points out areas where this responsibility would apply. This proposal would not prohibit any particular actions, and it is likely that many kinds of Federal actions involving the areas in question would not be expected to be detrimental to the wolf. For more information, please consult the "Guidelines to Assist Federal Agencies in Complying with Section 7 of the Endangered Species Act of 1973," as prepared by the Fish and Wildlife Service and National Marine Fisheries Service.

NATIONAL ENVIRONMENTAL POLICY ACT

An environmental assessment has been prepared in conjunction with this proposal. It is on file in the Service's Office of Endangered Species, 1612 K Street NW., Washington, D.C. 20240, and may be examined during regular business hours. A determination will be made at the time of final rulemaking as to whether this is a major Federal action which would significantly affect the quality of the human environment within the meaning of section 102(2)(C) of the National Environmental Policy Act of 1969.

PUBLIC COMMENTS SOLICITED

The Director intends that the rules finally adopted be as effective as possible in conserving the gray wolf and in delineating its Critical Habitat in Michigan and Minnesota. The Director, therefore, desires to obtain the comments and suggestions of the public, other concerned governmental agencies, the scientific community, or any other interested party, on these proposed rules. Final promulgation of regulations will take into consideration the comments received by the Director. Such comments and any additional information received may lead the Director to adopt final regulations that differ from this proposal.

SUBMITTAL OF WRITTEN COMMENTS

Interested persons may participate in this rulemaking by submitting written comments, preferably in triplicate, to the Director (FWS/OES), Fish and Wildlife Service, U.S. Department of the Interior, Washington, D.C. 20240. All relevant comments received no later than August 8, 1977, will be considered. The Service will attempt to acknowledge receipt of comments, but substantive responses to individual comments may not be provided. Comments received will be available for public inspection during normal business hours at the Service's Office of Endangered Species, Suit 1100, 1612 K Street NW., Washington, D.C.

This proposed rulemaking is issued under the authority contained in the Endangered Species Act of 1973 (16 U.S.C. 1531-1543; 87 Stat. 884), and was prepared by Ronald M. Nowak, Office of Endangered Species.

§ 17.11 Endangered and threatened wildlife.

Species			Range				
Common name	Scientific name	Population	Known distribution	Portion of range where threatened or endangered	Status	When listed	Special rules
Mammals: Wolf, gray.	<i>Canis lupus</i>	United States (48 conterminous States, other than Minnesota), Mexico.	Arizona, Idaho, Michigan, Montana, New Mexico, North Dakota, Oregon, Texas, Washington, Wisconsin, Wyoming, Mexico.	Entire.....	E		NA
Do.....do.....	Minnesota.....	Northern Minnesota.....	do.....	T		17.40(d)	

2. Section 17.40 is amended by adding the following paragraph (d):

§ 17.40 Special rules—Mammals.

(d) Gray wolf (*Canis lupus*) in Minnesota.—(1) *Zones*. For purposes of these regulations, the State of Minnesota is divided into the following five zones.

ZONE 1—4,462 SQUARE MILES

Beginning at the point of intersection of United States and Canadian boundaries in Section 22, Township 71 north, Range 22 West, in Rainy Lake, then proceeding along the west side of Sections 22, 27, and 34 in said township to the east side of Black Bay Narrows in Black Bay; thence proceeding along the North and East shoreline of Black Bay to the Black Bay Portage to Kabetogama Lake; thence southeasterly along the Black Bay Portage to Kabetogama Lake; thence southeasterly along the southern shoreline of Kabetogama Lake to Moosehorn Point—the junction of County Route 122 with Kabetogama Lake; thence southerly along County Route 122 to the junction with State Highway 53; thence southeasterly along State Highway 53 to the junction with County Route 765; thence easterly along County Route 765 to the junction with Kabetogama Lake in Ash River Bay; thence along the south boundary of Section 33 in Township 69 North, Range 19 West, to the junction with the Moose River; thence southeasterly along the Moose River to Moose Lake; thence along the western shore of Moose Lake to the river between Moose Lake and Long Lake; thence along the said river to Long Lake; thence along the east shore of Long Lake to the

NOTE.—The Fish and Wildlife Service has determined that this document does not contain a major proposal requiring preparation of an Economic Impact Statement under Executive Order 11949 and OMB Circular A-107.

Dated: May 19, 1977.

LYNN A. GREENWALT,
Director, Fish and Wildlife Service.

Accordingly, Part 17, Subparts B, D, and I, Title 50 of the Code of Federal Regulations, are amended as set forth below.

1. Section 17.11 is amended by deleting the Mexican wolf (*Canis lupus baileyi*), northern Rocky Mountain wolf (*Canis lupus irremotus*), eastern timber wolf (*Canis lupus lycaon*), and Texas gray wolf (*Canis lupus monstrabilis*) from the List of Endangered and Threatened Wildlife, and by adding the gray wolf (*Canis lupus*) to the List as indicated below:

drainage on the southeast side of Long Lake in NE¼, Section 18, Township 67 North, Range 18 West; thence along the said drainage southeasterly and subsequently north-easterly to Marion Lake, the drainage being in Section 17 and 18, Township 67 North, Range 18 West; thence along the west shoreline of Marion Lake proceeding southeasterly to the Moose Creek; thence along Moose Creek to Flap Creek; thence southeasterly along Flap Creek to the Vermillion River; thence southerly along the Vermillion River to Vermillion Lake; thence along the Superior National Forest boundary in a southeasterly direction through Vermillion Lake passing these points: Oak Narrows, Muskrat Channel, South of Pine Island, to Hoodo Point and the junction with County Route 697; thence southeasterly on County Route 697 to the junction with State Highway 169; thence easterly along State Highway 169 to the junction with State Highway 1; thence easterly along State Highway 1 to the junction with the Erie Railroad tracks at Murphy City; thence easterly along the Erie Railroad tracks to the junction with Lake Superior at Taconite Harbor; thence north-easterly along the North Shore of Lake Superior to the Canadian Border; thence westerly along the Canadian border to the point of beginning in Rainy Lake.

ZONE 2—1,864 SQUARE MILES

Beginning at the intersection of the Erie Mining Company Railroad and State Highway 1 (Murphy City); thence southeasterly on State Highway 1 to the junction with County Road 4; thence southwesterly on County Road 4 to the State Snowmobile Trail (formerly the Alger-Smith Railroad); thence southwesterly along the Snowmobile Trail

to the junction with Reserve Mining Company Railroad; thence northwesterly along the Railroad to Forest Road 107; thence westerly along Forest Road 107 to Forest Road 203; thence westerly along Forest Road 203 to the junction with County Route 2; thence in a northerly direction on County Route 2 to the junction with Forest Road 122; thence in a westerly direction along Forest Road 122 to the junction with the Duluth, Missable and Iron Range Railroad; thence in a southwesterly direction along the said railroad tracks to the junction with County Route 14; thence in a northwesterly direction along County Route 14 to the junction with County Route 55; thence in a westerly direction along County Route 55 to a junction with County Route 44; thence in a southerly direction along County Route 44 to the junction with County Route 266; thence in a southeasterly direction along County Route 266 and subsequently in a westerly direction to the junction with County Road 44; thence in a northerly direction on County Road 44 to the junction with Township Road 2815; thence westerly along Township Road 2815 to Alden Lake; thence northwesterly across Alden Lake to the inlet of the Cloquet River; thence northerly along the Cloquet River to the junction with Carrol Trail—State Forestry Road; thence west along the Carrol Trail to the junction with County Route 4 and County Routes 49; thence west along County Route 49 to the junction with the Duluth, Winnipeg and Pacific Railroad; thence in a northerly direction along said Railroad to the junction with the Whiteface River; thence in a northeasterly direction along the Whiteface River to the Whiteface Reservoir; thence along the western shore of the Whiteface Reservoir to the junction with County Route 340; thence north along County Route 340 to the junction with County Route 16; thence east along County Route 16 to the junction with County Route 346; thence in a northerly direction along County Route 346 to the junction with County Route 569; thence along County Route 569 to the junction with County Route 565; thence in a westerly direction along County Route 565 to the junction with County Route 110; thence in a westerly direction along County Route 110 to the junction with County Route 100; thence in a north and subsequent west direction along County Route 100 to the junction with State Highway 135; thence in a northerly direction along State Highway 135 to the junction with State Highway 169 at Tower; thence in an easterly direction along the southern boundary of Zone 1 to the point of beginning of Zone 2 at the junction of the Erie Railroad Tracks and State Highway 1.

ZONE 3—3,501 SQUARE MILES

Beginning at the junction of State Highway 11 and State Highway 65; thence southeasterly along State Highway 65 to the junction with State Highway 1; thence westerly along State Highway 1 to the junction with State Highway 72; thence north along State Highway 72 to the junction with an unnumbered township road beginning in the northeast corner of Section 25, Township 155 North, Range 31 West; thence westerly along the said road for approximately seven (7) miles to the junction with SFR 95; thence westerly along SFR 95 and continuing west through the southern boundary of Sections 36 through 31, Township 155 North, Range 33 West, through Sections 36 through 31, Township 155 North, Range 34 West, through Sec-

tions 36 through 31, Township 155 North, Range 35 West, through Sections 36 and 35, Township 155 North, Range 36 West, to the junction with State Highway 89; thence northwesterly along State Highway 89 to the junction with County Route 44; thence northerly along County Route 44 to the junction with County Route 704; thence northerly along County Route 704 to the junction with SFR 49; thence northerly along SFR 49 to the junction with SFR 57; thence easterly along SFR 57 to the junction with SFR 63; thence south along SFR 63 to the junction with SFR 70; thence easterly along SFR 70 to the junction with County Route 87; thence easterly along County Route 87 to the junction with County Route 1; thence south along County Route 1 to the junction with County Route 16; thence easterly along County Route 16 to the junction with State Highway 72; thence south on State Highway 72 to the junction with a gravel road (unnumbered County District Road) on the north side of Section 31, Township 158 North, Range 30 West; thence east on said District Road to the junction with SFR 62; thence easterly on SFR 62 to the junction with SFR 175; thence south on SFR 175 to the junction with County Route 101; thence easterly on County Route 101 to the junction with County Route 11; thence easterly on County Route 11 to the junction with State Highway 11; thence easterly on State Highway 11 to the junction with State Highway 65, the point of beginning.

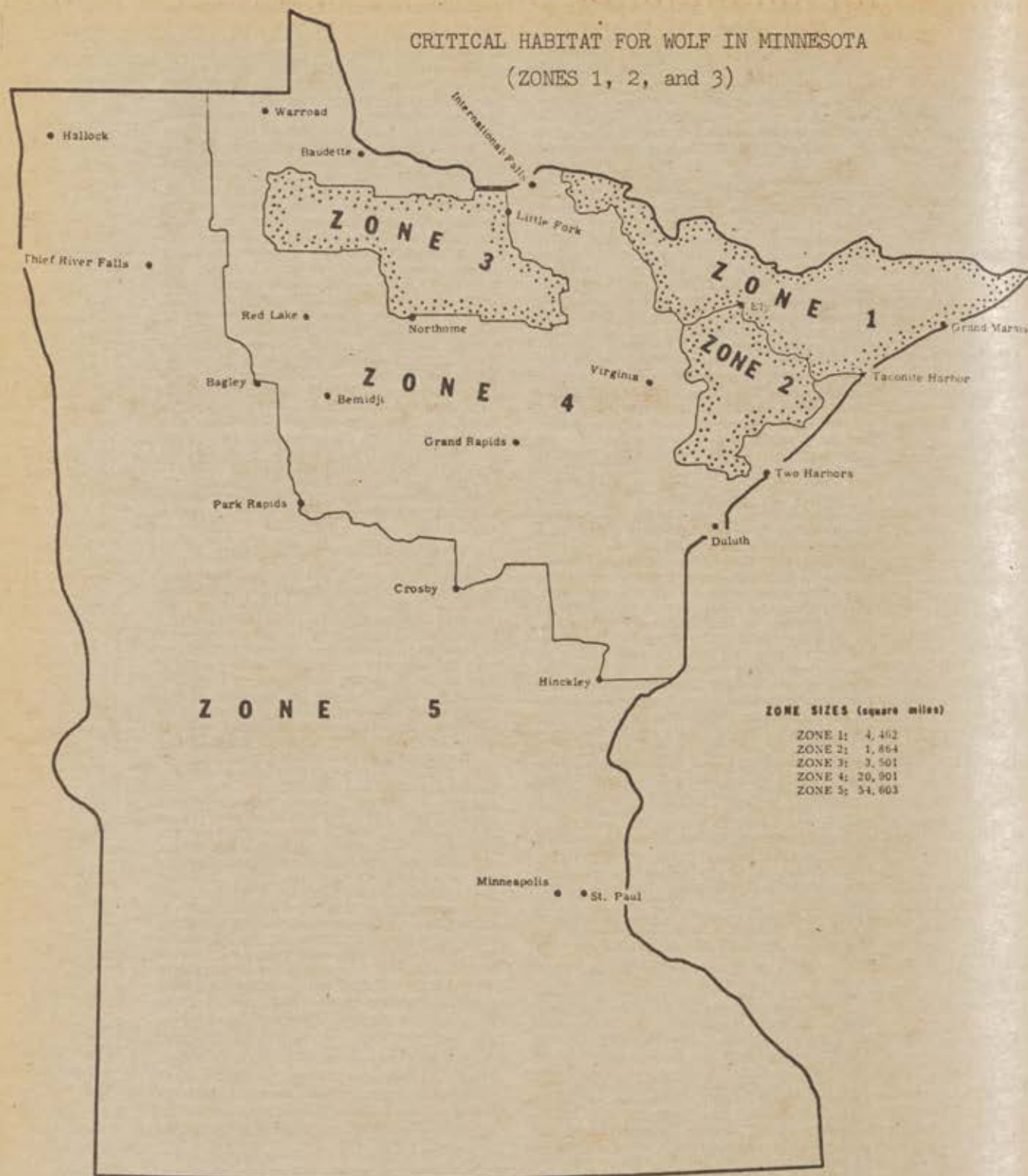
ZONE 4—20,901 SQUARE MILES

Excluding Zones 1, 2, and 3, all that part of Minnesota north and east of a line beginning on State Trunk Highway 48 at the eastern boundary of the state; thence westerly along Highway 48 to Interstate Highway 35; thence northerly on I-35 to State Highway 23, thence west one-half mile on Highway 23 to State Trunk Highway 18; thence westerly along Highway 18 to State Trunk Highway 65, thence northerly on Highway 65 to State Trunk Highway 210; thence westerly along Highway 210 to State Trunk Highway 6; thence northerly on State Trunk Highway 6 to Emily; thence westerly along County State Aid Highway (CSAH) 1, Crow Wing County, to CSAH 2, Cass County; thence westerly along CSAH 2 to Pine River; thence northwesterly along State Trunk Highway 371 to Backus; thence westerly along State Trunk Highway 87 to U.S. Highway 71; thence northerly along U.S. 71 to State Trunk Highway 200; thence northwesterly along Highway 200 to County State Aid Highway (CSAH) 2, Clearwater County; thence northerly along CSAH 2 to Shevlin; thence along U.S. Highway 2 to Bagley; thence northerly along State Trunk Highway 92 to Gully; thence northerly along CSAH 2, Polk County, to CSAH 27, Pennington County; thence along CSAH 27 to State Trunk Highway 1; thence easterly on Highway 1 to CSAH 28, Pennington County; thence northerly along CSAH 28 to CSAH 54, Marshall County; thence northerly along CSAH 54 to Grygla; thence west and northerly along Highway 89 to Roseau; thence northerly along State Trunk Highway 310 to the Canadian border.

ZONE 5—54,603 SQUARE MILES

All that part of Minnesota south and west of the line described as the south and west border of Zone 4.

CRITICAL HABITAT FOR WOLF IN MINNESOTA
(ZONES 1, 2, and 3)



ZONE SIZES (square miles)

ZONE 1:	4,462
ZONE 2:	1,864
ZONE 3:	3,501
ZONE 4:	20,901
ZONE 5:	54,603

(2) **Prohibitions.** The following prohibitions apply to the gray wolf in Minnesota.

(i) **Taking.** Except as provided in this paragraph (d)(2)(i) of this section, no person may take a gray wolf in Minnesota.

(A) Any person may take a gray wolf in Minnesota in defense of his own life or the lives of others.

(B) Any employee or agent of the Service, any other Federal land management agency, or the Minnesota Department of Natural Resources, who is designated by his agency for such purposes, may, when acting in the course of his official duties, take a gray wolf in Minnesota without a permit if such action is necessary to:

(1) Aid a sick, injured, or orphaned specimen; or

(2) Dispose of a dead specimen; or

(3) Salvage a dead specimen which may be useful for scientific study.

(4) Furthermore, such designated employees or agents of the Service or the Minnesota Department of Natural Resources may take a gray wolf without a permit in Minnesota if such action is necessary to remove from zone 2, 3, 4, or 5, as delineated in paragraph (d)(3)(1) of this section, a gray wolf committing significant depredations on lawfully present domestic animals, but only if the taking is done in a humane manner.

(C) Any taking pursuant to paragraph (d)(2)(i) (A) and (B) of this section must be reported in writing to the United States Fish and Wildlife Service, Division of Law Enforcement, P.O. Box 19183, Washington, D.C. 20036, within 5 days. The specimen may only be retained, disposed of, or salvaged in accordance with directions from the Service.

(D) Any employee or agent of the Service or the Minnesota Department of Natural Resources when operating under a Cooperative Agreement with the Service in accordance with section 6(c) of the Act, who is designated by his agency for such purposes, may, when acting in the course of his official duties, take a gray wolf in Minnesota to carry out scientific research or conservation programs.

(ii) **Unlawfully taken wolves.** No person may possess, sell, deliver, carry, transport, or ship, by any means whatsoever, a gray wolf taken unlawfully in Minnesota.

(iii) **Import or export.** Except as may be authorized by a permit issued under authority of § 17.32, no person may import or export any Minnesota gray wolf.

(iv) **Commercial transactions.** Except as may be authorized by a permit issued under § 17.32, no person may deliver, receive, carry, transport, ship, sell, or offer to sell in interstate or foreign commerce, by any means whatsoever, and in the course of a commercial activity, any Minnesota gray wolf.

(3) **Permits.** All permits available under § 17.32 (General Permits—Threatened wildlife) are available with regard to the gray wolf in Minnesota. All the terms and provisions of § 17.32 apply to such permits issued under the authority of this paragraph (d)(3).

3. Section 17.95 is amended by adding the following paragraph (a)(5).

§ 17.95 Critical habitat—fish and wildlife.

(a) **Mammals.** * * *

(5) **Gray wolf.** (i) The following areas (exclusive of those existing manmade structures and settlements which are not necessary to the survival or recovery of the species) are Critical Habitat for the gray wolf (*Canis lupus*).

Michigan. Isle Royale National Park.

Minnesota. Areas of land, water, and airspace in Beltrami, Cook, Itasca, Koochiching Lake, Lake of the Woods, Roseau, and St. Louis counties, with boundaries (4th and 5th Principal Meridians) identical to those of zones 1, 2, and 3, as delineated in 50 CFR 17.40 (d)(1).

(ii) Pursuant to Section 7 of the Act all Federal agencies must take such action as is necessary to insure that actions authorized, funded, or carried out by them do not result in the destruction or modification of these Critical Habitat areas.

[FR Doc. 77-16222 Filed 6-8-77; 8:45 am]

National Oceanic and Atmospheric Administration

[50 CFR Part 216]

TAKING OF MARINE MAMMALS INCIDENTAL TO COMMERCIAL FISHING OPERATIONS

Notice of Proposed Amendment to Permit Issued to American Tunaboat Association Permitting the Take of Marine Mammals Incidental to Yellowfin Tuna Purse Seine Fishing, and Proposed Amendments to the Regulations

AGENCY: National Marine Fisheries Service, NOAA, Commerce.

ACTION: Proposed Amendments.

SUMMARY: The proposal is to amend the general permit issued to the American Tunaboat Association on April 15, 1977. The allowable take and mortality of whitebelly spinner dolphin would be increased from 7,840 to 11,219 based on a revision of the size of the whitebelly spinner dolphin population.

DATES: Requests for public hearing should be submitted on or before June 24, 1977. Comments by: July 11, 1977. Proposed effective date: July 15, 1977.

ADDRESSES: Submit comments and hearing requests to: Director, National Marine Fisheries Service, Department of Commerce, Washington, D.C. 20235.

FOR FURTHER INFORMATION CONTACT:

William P. Jensen, Marine Mammal Program Manager, National Marine Fisheries Service, 3300 Whitehaven Street, N.W., Washington, D.C. 20235, Area Code 202-634-7461.

SUPPLEMENTARY INFORMATION: A general permit was issued on April 15,

1977, to the American Tunaboat Association to take marine mammals incidental to commercial fishing operations under Category (ii); Encircling Gear, Yellowfin Tuna Purse Seining pursuant to 50 CFR 216.24 as amended (42 FR 20484 dated April 20, 1977).

On April 15, 1977, the American Tunaboat Association petitioned the National Marine Fisheries Service for an adjustment of the dolphin quotas contained in the general permit.

The American Tunaboat Association requests that the incidental mortality quotas for dolphins be adjusted as follows: (1) That the whitebelly spinner quota be increased to 17,000, (2) that the eastern spinner quota be increased to 6,587, and (3) that the offshore spotted quota be increased to 50,000. The requested quotas, in relation to the quotas in the general permit, represent (1) an increase of 9,160 for the whitebelly spinner, (2) an increase of 6,587 for the eastern spinner, and (3) an increase of 6,910 for the offshore spotted. Such adjustments would make a total 1977 mortality quota of 81,707, an increase of 22,657 over the 59,050 allowed in the general permit.

After a review of the available information and consultation with the Marine Mammal Commission, the Director proposes to increase the incidental mortality quota of whitebelly spinner dolphins to 11,219, an increase of 3,379 over the 7,840 allowed in the general permit.

Population estimates for offshore spotted dolphins, eastern spinner dolphins, and whitebelly spinner dolphins have been updated based on additional data obtained during 1976 subsequent to prior published estimates. The revisions are insignificant with respect to offshore spotted and eastern spinner dolphins, but result in an increase in the whitebelly population estimate from 549,000 to 690,000. The allowable U.S. mortality limit (based on the mid-point estimate which was used to establish the existing limit) is therefore 11,219 instead of 7,840.

Pursuant to Sections 103 (c) and (e) and 104 (e) of the Marine Mammal Protection Act of 1972, Pub. L. 92-522 and applicable regulations, § 216.24 (b)(4) and (d)(2)(i)(A), established thereunder, it is proposed to modify the general permit and to amend § 216.24(d)(2) of the regulations accordingly.

The general permit is proposed to be amended as follows: Delete the quota for spinner dolphin (whitebelly) and modify the permit to include the following quota:

Spinner dolphin (whitebelly):	
Take limit.....	2,120,000
Encirclement.....	1,402,000
Mortality limit.....	11,219

§ 216.24 [Amended]

Section 216.24(d)(2)(i)(A) would be amended to add, following the second sentence immediately after "in the general permit," the following clause: "except that the quota for spinner dolphin (whitebelly) which may be taken in 1977

is limited to 2,120,000 taken; 1,402,000 encircled, and 11,219 killed."

DATES

Requests for a public hearing on this proposal should be submitted to the Director, National Marine Fisheries Service, Department of Commerce, Washington, D.C. 20235, on or before June 24, 1977. Individuals requesting a hearing should set forth the specific reasons why a hearing on this particular application

would be appropriate. The holding of a hearing is at the discretion of the Director except if the request is by the applicant, the American Tunaboat Association. Written data or comments on this proposal should be submitted to the Director on or before July 11, 1977.

Documents submitted in connection with the above application are available for review in the following offices: Director, National Marine Fisheries Service, 3300 Whitehaven Street, NW., Wash-

ington, D.C.; and Regional Director, National Marine Fisheries Service, Southwest Region, 300 South Ferry Street, Terminal Island, California 90731.

Dated: June 6, 1977.

JACK W. GEHRINGER,
Deputy Director,

National Marine Fisheries Service,

[FR Doc. 77-16306 Filed 6-8-77; 8:45 am]

notices

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

ADMINISTRATOR, EMERGENCY NATURAL GAS ACT OF 1977

[Docket No. E77-108]

EMERGENCY ORDER

On May 18, 1977, Natural Gas Pipeline Company of America (Natural) filed, pursuant to Section 6 of the Emergency Natural Gas Act of 1977 (Act), Pub. L. 95-2 (91 Stat. 4 (1977)) a petition for authorization to make twenty-nine emergency purchases of natural gas. On June 1, 1977, a supplemental petition was filed pursuant to Section 6 of the Act again requesting authorization to make twelve of these emergency purchases.

Natural has executed the following contract for the purchase of gas at \$1.75 per MMBtu under Section 6 of the Act:

1. Oklahoma Natural Gas has agreed to sell up to 4.050 Bcf of natural gas from production in Woodward and Custer Counties, Oklahoma, through June 27, 1977.

Natural has executed the following contracts for the purchase of gas at \$2.25 per MMBtu under Section 6 of the Act:

1. Paul De Cleva has agreed to sell up to .061 Bcf of natural gas from production in Wise County, Texas through July 31, 1977.

2. Inexco, Mitchell (SPM A-4) has agreed to sell up to .061 Bcf of natural gas from production in Polk County, Texas through July 31, 1977.

3. Mesa Petroleum Company has agreed to sell up to .122 Bcf of natural gas from production in Eddy County, New Mexico through July 31, 1977.

4. Go Oil Corporation has agreed to sell up to .030 Bcf of natural gas from production in Wise County, Texas through July 31, 1977.

5. Indian Oil Company has agreed to sell up to .006 Bcf of natural gas from production in Wise County, Texas through July 31, 1977.

6. Curtis Pryor has agreed to sell up to .015 Bcf of natural gas from production in Wise County, Texas through July 31, 1977.

7. Taylor Operating Company has agreed to sell up to .100 Bcf of natural gas from production in Wise County, Texas through July 31, 1977.

8. Phillips Petroleum Company has agreed to sell up to 1.220 Bcf of natural gas from production in Gray County, Texas through July 31, 1977.

9. Phillips Petroleum Company has agreed to sell up to 2.135 Bcf of natural gas from production in Brazoria County, Texas through July 31, 1977.

10. Jack Russel has agreed to sell up to .061 Bcf of natural gas from production

to Duval County, Texas through July 31, 1977.

11. Inexco, Mitchell (SPM E-1) has agreed to sell up to .061 Bcf of natural gas from production in Polk County, Texas through July 31, 1977.

Natural will purchase these supplies from Oklahoma Natural Gas at a rate of \$1.75 per MMBtu. Further, Natural will purchase these supplies from Paul De Cleva, Inexco, Mitchell (SPM A-4), Mesa Petroleum Company, Go Oil Corporation, Indian Oil Company, Curtis Pryor, Taylor Operating Company, Phillips Petroleum Company, Inexco, Mitchell (SPM E-1), and Jack Russel at a rate of \$2.25 per MMBtu inclusive of all state and local taxes and other adjustments. To the extent these prices do not exceed \$2.25 per MMBtu, I find the price to be fair and equitable in accordance with Order No. 2.

Natural shall submit weekly reports as required by Order No. 4.

Pursuant to Section 6(a) of the Act, I hereby authorize Oklahoma Natural Gas, Paul De Cleva, Inexco, Mitchell (SPM A-4), Mesa Petroleum Company, Go Oil Corporation, Indian Oil Company, Curtis Pryor, Taylor Operating Company, Phillips Petroleum Company, Jack Russel, and Inexco, Mitchell (SPM E-1), to sell said gas to Natural, on the terms and conditions set forth in Natural's filing in the proceeding.

This order is issued pursuant to the authority delegated to me by the President in Executive Order No. 11969 (February 2, 1977), and shall be served upon Natural, Oklahoma Natural Gas, Paul De Cleva, Inexco, Mitchell (SPM A-4), Mesa Petroleum Company, Curtis Pryor, Taylor Operating Company, Phillips Petroleum Company, and Jack Russel, and Inexco, Mitchell (SPM E-1). This order shall also be published in the FEDERAL REGISTER.

This order and authorization granted herein are subject to the continuing authority of the Administrator under Pub. L. 95-2 and the Rules and Regulations which may be issued thereunder.

RICHARD L. DUNHAM,
Administrator.

JUNE 3, 1977.

[FR Doc. 77-16252 Filed 6-8-77; 8:45 am]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

REVISED UNIT OF MEASURE FOR FRUIT AND VEGETABLE SUPPLY

Proposed Change

Notice is hereby given that the Fruit and Vegetable Division of the Agricul-

tural Marketing Service proposes to discontinue use of the carlot equivalent and substitute a weight unit to measure supplies of fresh fruits and vegetables moving through marketing channels.

Carlot equivalents have been used by Market News for over 50 years and were very meaningful as long as rail transportation carried a large share of fresh fruits and vegetables. Since World War II, there has been a sizeable shift to truck transportation. Consequently, carlot equivalents mean little in areas where rail transportation is not used. Except for some shipments of potatoes in Maine and the Red River Valley of Minnesota-North Dakota and for some Florida products, rail is largely limited to shipments from the Western States and even in those locations trucks carry a larger share of the volume. Rail cars have become larger with the implementation of mechanical refrigerated cars. Also, shipping rates on a per car basis encourages maximum loading in some instances. As a result, there is no longer a standard carlot unit for measuring supplies. Efforts to derive a uniform factor to convert truck to carlot equivalents have resulted in misunderstandings and possibly incorrect conclusions because of frequent changes in size of rail car loadings. Considering that about 75 percent of the movement is by truck, the procedure of constantly reviewing and revising factors to agree with rail loadings has become impractical.

Consideration of a weight unit is merited because weight is common to all commodities and could become a common measure for all agricultural products. Canada and Hawaii both use weight units in market news reports. It is proposed to report in units of 1,000 cwt. for annual summaries, and in units of 10,000 lbs. for daily and weekly reports.

The alternative of package count was reviewed but was not considered feasible because containers in which commodities are shipped vary among the nation's production areas and to some extent in the same area. For example, peaches move in flat crates, lugs, one half bushel crates and cartons, and in 3/4 bushel crates and cartons. Comparable data would be difficult, if not impossible, to maintain.

All persons who desire to submit written data, views, or arguments in connection with the proposal should file the same in duplicate not later than July 8, 1977, with the Hearing Clerk, U.S. Department of Agriculture, Room 1077, South Building, Washington, D.C. 20250. All written submittals made pursuant to this notice will be available for

public review at the Office of the Hearing Clerk during the regular business hours.

(7 CFR 1.27(b).)

Dated: June 6, 1977.

WILLIAM T. MANLEY,
Acting Administrator.

[FR Doc. 77-16245 Filed 6-8-77; 8:45 am]

Forest Service

ROW, SOUTH UMPQUA, AND NORTH UMPQUA PLANNING UNITS OF THE UMPQUA NATIONAL FOREST

Notice of Availability of Draft Environmental Statement

Pursuant to Section 102(2)(c) of the National Environmental Policy Act of 1969, the Forest Service, Department of Agriculture, has prepared a draft environmental statement for the Row, South Umpqua, and North Umpqua Planning Units of the Umpqua National Forest.

The environmental statement concerns a proposed land management plan for three planning units on the Umpqua National Forest totaling nearly one million acres.

The draft environmental statement was transmitted to CEQ on June 3, 1977.

Copies are available for inspection during regular working hours at the following locations:

USDA, Forest Service, South Agricultural Building, Room 3210, 12th St. and Independence Ave. SW., Washington, D.C. 20250.

USDA, Forest Service, Pacific Northwest Region, 319 SW Pine Street, Portland, Oregon 97204.

USDA, Forest Service, Umpqua National Forest, 704 SE Cass Street, Roseburg, Oregon 97470.

A limited number of single copies are available upon request to Forest Supervisor, Umpqua National Forest, P.O. Box 1008, Roseburg, Oregon 97470.

Copies of the environmental statement have been sent to various Federal, state, and local agencies as outlined in the CEQ guidelines.

Comments are invited from the public, and from state and local agencies which are authorized to develop and enforce environmental standards, and from Federal agencies having jurisdiction by law or special expertise with respect to any environmental impact involved for which comments have not been requested specifically.

Comments concerning the proposed action and requests for additional information should be addressed to Forest Supervisor, Umpqua National Forest, P.O. Box 1008, Roseburg, Oregon 97470. Comments must be received by August 2, 1977, in order to be considered in the preparation of the final environmental statement.

Dated June 3, 1977.

CURTIS L. SWANSON,
Regional Environmental Co-ordinator, Planning, Programming and Budgeting.

[FR Doc. 77-16308 Filed 6-8-77; 8:45 am]

CIVIL AERONAUTICS BOARD

[Order 77-8-12]

AIRLIFT INTERNATIONAL, INC.

Order of Suspension

Container loading service charge proposed by: Airlift International, Inc., Docket 30911; Domestic Air Freight Rate Investigation, Docket 22859.

Adopted by the Civil Aeronautics Board at its office in Washington, D.C. on the 3rd day of June, 1977.

By tariff revisions¹ issued May 3 and marked to become effective June 6, 1977, Airlift International, Inc. (Airlift) proposes to establish, upon request of the shipper or consignee, loading service for Type A-2 containers on the carrier's premises for a charge of \$40 per container. The filing bears an expiry date of June 7, 1978.

In support of its proposal and in answer to a complaint, Airlift asserts that the charge is a reasonable assessment of the use of the carrier's personnel and facilities to provide the service and practically matches the \$40.90 level recommended for unloading service by the administrative law judge in the Domestic Air Freight Rate Investigation (DAFRI), Docket 22859; that the proposal will not apply to traffic moving to San Juan and thus will not divert traffic from the complainant in this market; that the proposal was filed primarily to aid forwarders rather than as a device to gain a competitive advantage over them; that the proposal is not unlike rules in effect for several other direct carriers; that the proposal is not discriminatory or preferential since it is available to all shippers under the same conditions; and that the complainant's contention that the rule proposed constitutes a practice not authorized by Airlift's certificate borders on the specious.

A complaint requesting suspension and investigation of Airlift's proposed rule has been filed by Century Air Freight, Inc. (Century), an air freight forwarder. Century asserts, inter alia, that the operation of Airlift's proposal would invade the forwarder's functions and divert a large volume of its traffic; that the level of the charge is below cost; that the loading service obviously provides a subsidy to shippers and is unlawful as well as discriminatory and preferential in that not all shippers can take advantage of the service; that it amounts to an unfair competitive practice; and that, by providing this service, Airlift enables freight tendered at the prescribed tariff rate to be eligible to move at a substantially lower rate.

The proposed rule for loading comes within the scope of DAFRI, and its lawfulness will be determined in that proceeding. The issue now before the Board is whether to suspend the proposal or to permit it to become effective pending final decision of the Board.

Upon consideration of the complaint and all other relevant factors, the Board

finds that the proposed rule may be unjust, unreasonable, unjustly discriminatory, unduly preferential, unduly prejudicial, or otherwise unlawful, and should be suspended pending final decision in the investigation.

The container program instituted by the carriers several years ago established incentive discounts to shippers on the basis of cost economies to the carriers. These economies were essentially grounded on the basis that carriers would receive loaded containers from consignors and tender such containers to consignees, thus bypassing the air freight terminals. This would save the airlines the expense of loading and unloading containers and of keeping track of numerous pieces, and would reduce loss and damage claims.²

At the present time, most trunk and all-cargo carriers furnish unloading service at their premises for practically all container types and a few carriers furnish loading service for several containers. No carrier, however, furnishes both loading and unloading service for the same container. Airlift has a currently effective tariff provision providing for unloading service for Type A containers, and the instant proposal would add loading service for A-2 containers. Thus, both services could be applied to the same shipment.

At the current level of Airlift's container rates, shippers would frequently find that container rate discounts exceed by a significant amount the charges paid for loading and unloading. Therefore, it would be advantageous for shippers to utilize Airlift's proposed services for higher density bulk shipments. The carrier would be loading bulk shipments into containers and unloading the same containers, but would be charging lower net rates for denser shipments and thus would incur a dilution of revenues. More important, however, availability of both loading and unloading service represents a basic change in the economics of containerized service which should, in our view, await the Board's decision in DAFRI.³

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a), 403, 404, and 1002 thereof, it is ordered that: 1. Pending hearing and decision by the Board, the charge and provisions in Rule No. 70(D)(1) on 63rd and 64th Revised Page 40 of Airline Tariff Publishing Company, Agent, Tariff C.A.B. No. 227, are suspended and their use deferred to and including September 4, 1977, unless otherwise ordered by the Board, and that no changes be made therein during the period of suspension except by order or special permission of the Board;

2. Except to the extent granted herein, the complaint of Century Air Freight, Inc. in Docket 30911 is dismissed; and

3. Copies of this order shall be filed with the tariff and served upon Airlift

¹ Bulk traffic also moves in containers for the most part, but is loaded and unloaded by the airlines.

² This action would be consistent with Board Orders 73-8-46, 73-10-5, and 73-11-151.

International, Inc. and Century Air Freight, Inc.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

PHYLLIS T. KAYLOR,
Secretary.

[FR Doc. 77-16217 Filed 6-8-77; 8:45 am]

[Order 77-6-11; Dockets 30842, 30847, 30853, and 30855]

EMERGENCY AIR TRANSPORTATION REQUIREMENTS

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 3rd day of June 1977.

By Order 77-5-26, May 6, 1977, the Board delegated to the Director, Bureau of Operating Rights, authority to grant or deny, in whole or in part, any and all requests for exemption or special operating authorizations which might arise out of an expected work stoppage against Wien Air Alaska, Inc. (Wien). Under the terms of the delegation, the Director's authority would expire on June 5, 1977. As expected, the strike occurred on May 7, 1977, and has continued to this date. During this period, the Director, in Order 77-5-37, granted exemptions to Alaska Airlines, Inc. (ASA), Alaska International Air, Inc. (AIA), Northern Air Cargo, Inc. (NAC), and Wien. There appear to be no expectations of a speedy resolution to the strike.

In view of these circumstances, we have determined to extend the delegated authority of the Director for the duration of the strike. In addition to extending the Director's authority, those exemptions which have already been granted by the Director and which would otherwise expire on June 5, 1977, will be extended for the duration of the strike unless sooner terminated by the terms of the exemption requested, by the Director or the Board. However, we will not so extend the exemption to ASA due to its inability to operate the authorized exempted service.¹

Accordingly, it is ordered, That: 1. The authority granted to the Director, Bureau of Operating Rights, pursuant to paragraph 1 of Order 77-5-26, be and it hereby is extended for the duration of the work stoppage against Wien Air Alaska, Inc., which began on May 7, 1977;

2. All operating authority granted by the Director pursuant to authority granted by Order 77-5-26 be and it hereby is extended and shall continue in full force and effect for the duration of the work stoppage against Wien Air Alaska, unless sooner terminated by the terms of the exemption requested, by the Director, or by the Board; *Provided*, That this extension shall not apply to the exemption granted to Alaska Airlines, Inc.;

3. In the exercise of delegated authority, the Director is authorized in his discretion to act before the receipt of answers, and petitions for review of the Director shall not stay the effective date thereof;

4. Communications subject to the procedures established herein may be made orally pursuant to 14 CFR 300.2(c)(5), but such application shall be put into telegraphic or written form within 24 hours and, if in telegraphic form, shall be followed within 5 days with a written notice served in accordance with the Board's rules of practice;

5. Any interested person objecting to any provision of this order shall file such objections with the Board within 5 days from the date of service of this order, but the filing of objections shall not stay the effectiveness of this order;

6. This order may be amended or revoked at any time at the discretion of the Board; and

7. This order shall be served on all certificated air carriers of interest, the states of Alaska, Washington, all affected cities, and union representatives of the employees of both Alaska Airlines and Wien Air Alaska.

This order shall be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

PHYLLIS T. KAYLOR,
Secretary.

[FR Doc. 77-16216 Filed 6-8-77; 8:45 am]

IATA No.

Title

Application

Agreement C.A.B. 26637...

531 Expedited—charges for bulk unitization—TC1 (amending)...

1

Accordingly, it is ordered, That: Agreement C.A.B. 26637 be and hereby is approved.

Persons entitled to petition the Board for review of this order, pursuant to the Board's Regulations 14 CFR 385.50, may file such petitions within ten days after the date of service of this order.

This order shall be effective and become the action of the Civil Aeronautics Board unless within such a period a petition for review is filed or the Board gives notice that it will review this order on its own motion.

This order will be published in the FEDERAL REGISTER.

PHYLLIS T. KAYLOR,
Secretary.

[FR Doc. 77-16215 Filed 6-8-77; 8:45 am]

CIVIL AERONAUTICS BOARD

[Order 77-6-13; Docket 30692]

AIR INDIA

Order Denying Petition for Reconsideration

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 3rd day of June, 1977.

By Order 77-4-151, the Board dismissed a complaint filed by India Travel Service, Ltd. (India Travel) and Wil-

[Order 77-5-165; Docket 27573; Agreement C.A.B. 26637]

IATA

Cargo Rates

Agreement adopted by Traffic Conference 1 of the International Air Transport Association relating to cargo rates.

Issued under delegated authority May 31, 1977.

An agreement has been filed with the Board pursuant to section 412(a) of the Federal Aviation Act of 1958 (the Act) and Part 261 of the Board's Economic Regulations between various air carriers, foreign air carriers, and other carriers embodied in the resolutions of Traffic Conference of the International Air Transport Association (IATA). The agreement was adopted at the Composite Cargo Traffic Conference in Vancouver held during May 1977.

The agreement would add new container rates for traffic between New York and Miami, on the one hand, and points in Colombia, on the other hand. The proposed rates are not out of line with other Western Hemisphere IATA container rates previously approved by the Board, and will be approved herein.

Pursuant to authority duly delegated by the Board in the Board's Regulations, 14 CFR 385.14, it is not found that the following resolution, incorporated in Agreement C.A.B. 26637 as indicated, is adverse to the public interest or in violation of the Act.

liam Becker Travel Bureau, Inc. (Becker Travel), against a proposal by Air India to increase the level of the 14/120-day excursion fare between India and the United States.

On May 11, 1977, India Travel and Becker Travel filed a petition for reconsideration of the Board's decision. The petitioners contend that the Board, in dismissing the complaint, acted contrary to its own policies as set forth on earlier occasions. Specifically, the petitioners assert that by not considering their charges of tariff violations and excessive agent commissions as germane to the fare increase at issue, the Board has contradicted earlier pronouncements. The petitioners cite Order 75-5-102 (American Airlines, Inc. Enforcement Proceeding, Docket 26363) and Order 76-3-146 (Braniff International Airways, Inc. Enforcement Proceeding, Docket 26364), wherein the Board determined that illegal payments from operating accounts would not be considered as valid expenses for ratemaking purposes, since the traveling public should not be required to pay higher fares in compensation for illegal depletion of carrier revenues. The petitioners maintain that the Board should protect the public by insuring that those travelers who pay the

¹ ASA pilots have refused to cross the Wien pilots' picket lines and the carrier failed to obtain a temporary injunction to compel performance.

proper fares are not subsidizing individuals who obtain unlawfully cheap transportation or agents who obtain excessive commissions.

Upon consideration of the petition, the Board has concluded that India Travel and Becker Travel have not presented any issue which was not previously considered by the Board in its original disposition of the complaint and the petition will therefore be denied.

Our denial of this petition should in no way be construed as a retreat from the Board's policy that illegal payments should not be considered valid operating expenses for ratemaking purposes. However, the American and Braniff proceedings involved U.S.-flag carriers who are required to submit detailed economic justification for a general increase in domestic fares, and our conclusion on this issue was made pursuant to the findings reached in those specific investigations. Here, illegal activities have been alleged but so far are unproven.¹ Moreover, as a foreign-flag carrier, Air India is not required to submit economic data and, in fact, the tariff filing represents an increase in a single fare which has been set at chronically low levels. Most importantly, the 40/120-day excursion fare remains at a level less than half the normal economy fare. This being the case, the Board, in accordance with its long-held view that fares should be reasonably related to costs, could accept an even greater increase in the fare than that filed by Air India.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a), 403, 404, and 1002 thereof, it is ordered, That the petition filed by India Travel Service, Ltd. and Becker Travel Bureau, Inc. for reconsideration of Order 77-1-151 be and hereby is denied.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

PHYLLIS T. KAYLOR,
Secretary.

[FR Doc. 77-16349 Filed 6-8-77; 8:45 am]

[Order 77-6-14; Docket 30402]

BRITISH AIRTOURS LIMITED Order

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 3rd day of June, 1977.

On January 26, 1977, British Airtours Limited, filed an application for amendment of its Foreign Air Carrier Permit granted by the Board in Order 77-1-70, January 14, 1977, to add certain named European countries to those which it is presently permitted to serve. On March 10, 1977, British Airtours filed a motion for expedited hearing on its application.

No answers in response to the motion have been filed.

¹ Order 77-4-151 referred the allegations to the Bureau of Enforcement for appropriate action.

Upon consideration of the pleadings and all relevant facts, we have decided to set British Airtours' application for hearing. While British Airtours filed a motion for "expedited hearing," the carrier appears only to be seeking a priority hearing. Accordingly, while we are setting the application for hearing, we do not mean to imply that any procedures apart from those normally utilized in Board proceedings shall be followed here.

Accordingly, it is ordered, That 1. The application of British Airtours Limited, be and it hereby is set for hearing before an administrative law judge of the Board at a time and place to be designated hereafter; and 2. The motion of British Airtours Limited for a waiver, be and it hereby is denied.

This order shall be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

PHYLLIS T. KAYLOR,
Secretary.

[FR Doc. 77-16350 Filed 6-8-77; 8:45 am]

[Docket 30402]

BRITISH AIRTOURS LIMITED Environmental Rejection

On January 26, 1977, British Airtours Limited filed a request for waiver of Part 312, which was accompanied by environmental data. Because the applicant supplied information which would permit an evaluation of the possible impact of its proposed operations on the environment, it is unnecessary to grant a waiver, and we look instead to the data supplied.

British Airtours Limited is a direct foreign air carrier specializing in charter flights. The carrier states that it will use Boeing 707 aircraft in its proposed operations and will conduct no more than 30 operations annually primarily at large metropolitan airport facilities. Thus, the carrier contends that the impact of its possible charter flights would be de minimis.

Pursuant to section 312.8 and 312.13 of the Board's Procedural Regulations, the undersigned—having reviewed available information with respect to the application described above and having been duly designated by the Director, Bureau of Operating Rights, pursuant to section 312.8—hereby finds that any subsequent Board action approving, denying, or otherwise acting upon such application would not constitute a "major Federal action significantly affecting the quality of the environment" within the meaning of section 102(2)(C) of the National Environmental Policy Act of 1969.

Concurrently with its application, British Airtours filed a request for a waiver of the Board's environmental regulations. However, in the request for the waiver, the carrier filed sufficient information for the staff to make an environmental determination, as indicated in the attached Notice of Environmental Rejection. Accordingly, we will deny British Airtours request for waiver.

Dated at Washington, D.C., June 3, 1977.

BARBARA A. CLARK,
Chief, Legal Division,
Bureau of Operating Rights.

[FR Doc. 77-16348 Filed 6-8-77; 8:45 am]

SOCIETE ANONYME BELGE D'EXPLOITATION DE LA NAVIGATION AERIENNE (SABENA)

[Order 77-6-16; Dockets 30889, 30888, 30789, 30785]

Order Dismissing Complaints

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 3rd day of June, 1977.

By tariff revisions¹ issued on May 11 and marked to become effective June 10, 1977, Societe Anonyme Belge d'Exploitation de la Navigation Aerienne (SABENA) proposes to establish and to reduce several specific commodity rates for traffic from Antwerp and Brussels to New York. The rates for Items 2102 (Cloth), 6807 (Plastic Foil and/or Sheets), and 7047 (Decals), would be set at a level of approximately 69 cents per kg., with a minimum weight of 4,000 kgs.

Complaints requesting suspension and investigation have been filed by Seaboard World Airlines, Inc. (Seaboard) and Pan American World Airways, Inc. (Pan American). The complainants allege, inter alia, that the proposed rates are equivalent to rates proposed by British Airways for the same commodities which were ordered suspended and investigated by the Board in Order 77-1-6; that the proponent has provided no justification for these rates other than to indicate that they are being filed pursuant to government order; that the proposed level is uneconomic and fails to cover U.S. carriers' transatlantic freighter costs; that is no justification to say that rates are required to meet illegal competition; that over \$1.2 million of Seaboard's westbound specific commodity rate revenues would be subject to diversion, or if Seaboard matches the proposal, its 1977 forecast westbound revenues would be diluted by over \$400,000; and that the proposal is in opposition to the Board's stated policy that it will not permit rates to go into effect at levels substantially below U.S. carriers' experienced freighter costs absent compelling justification.

No economic justification has been offered for the proposal. Sabena indicates only that these rates have been filed pursuant to a government order and are for the purpose of competing with rates applied in neighboring countries.

Upon full consideration of the tariff filing, the carrier's justification, the complaints and all other relevant factors, the Board has determined to dismiss the complaints and permit the filing to become effective.

The proposal appears to have the ability of attracting additional volumes of new traffic to air transportation.

Furthermore, contrary to Seaboard's contention, the proposed rates are not equivalent to rates proposed by British Airways for the same commodities and which were suspended by the Board in Order 77-1-6. Sabena's proposal would produce a yield of approximately 17 cents per revenue ton mile compared with yields ranging from 12.2 to 13.1 cents per revenue ton mile under the British proposal. We will therefore permit the Sabena proposal to become effective.

We would be remiss, however, in taking this action, not to express our concern about the recent promulgation during the present open rate situation of marginal-level rates for specific commodities in markets where apparently no advantage accrues to the general commodity freight shipper. We have spoken to the inordinate reliance on low rated specific commodity rates on various occasions in the past and the burden that such low rates places on the shipper of general commodities. While we have permitted a number of proposals involving specific commodity rates to take effect over complaints, we would caution the carriers that, under these circumstances, the Board will require specific and compelling justification of any rate proposals which attempt to increase general commodity rates.

Accordingly, it is ordered, That: The complaints of Seaboard World Airlines, Inc. in Dockets 30888 and 30785, and Pan American World Airways, Inc. in Dockets 30889 and 30798, be and hereby are dismissed.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

PHYLLIS T. KAYLOR,
Secretary.

O'MELIA, VICE CHAIRMAN, DISSENTING

I must express my dissent from the Board's failure to suspend yet another series of unduly low rates in the North Atlantic market because of the concerns about low cargo yields on that route expressed in my dissents to Order 77-5-44, May 10, 1977 and Order 77-5-154, May 27, 1977. At least in this case the Board expresses a concern about the spread of "marginal-level" specific commodity rates and their potential impact on the general commodity rate level. In effect, the Board is stating its concern about the impact of this series of rate filings on the future cargo operations of U.S. carriers. These same concerns, in my view, warrant a more careful screening of the likelihood that traffic generation from the proposed rates will offset dilution and a determination whether generation or diversion of traffic will be the result of the rates. Upon consideration of these factors, I would vote to suspend and investigate.

RICHARD J. O'MELIA,

[FR Doc. 77-16351 Filed 6-8-77; 8:45 am]

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric
Administration

MID-ATLANTIC FISHERY MANAGEMENT COUNCIL

Extension of Meeting

Notice is hereby given of an extension in the meeting of June 15 and 16, 1977, 9:00 a.m. to 3:00 p.m., at the Southampton Inn, Southampton, Long Island, New York, of the Mid-Atlantic Fishery Management Council which was published in the FEDERAL REGISTER May 25, 1977, Volume 42, Number 101.

The meeting is now extended to June 17, 1977, 9:00 a.m. to 12:00 noon, at the Southampton Inn, Southampton, Long Island, New York, to review and adopt the Surf Clam/Ocean Quahog Management Plan.

Dated: June 6, 1977.

WINFRED H. MEIBOHM,
Associate Director,
National Marine Fisheries Service.

[FR Doc. 77-16326 Filed 6-8-77; 8:45 am]

S.E.E. OKEANSKY RIBOLOV, BOURGAS

Receipt of Application for a General Permit

Notice is hereby given that the following application has been received to take marine mammals incidental to the course of commercial fishing operations as authorized by the Marine Mammal Protection Act of 1972 (16 U.S.C. 1361-1407) and the regulations thereunder.

S.E. E. Okeansky Ribolov, Bourgas, Peoples Republic of Bulgaria, has applied for a general permit, Category 1, "Towed or Dragged Gear."

Copies of the application are available for review in the following offices:

Director, National Marine Fisheries Service,
3300 Whitehaven Street, N.W., Washington,
D.C.; and

Regional Director, National Marine Fisheries
Service, Northeast Region, Federal Building,
14 Elm Street, Gloucester, Massachusetts
01930.

Interested parties may submit written views on this application within 30 days of the publication of this notice to the Director, National Marine Fisheries Service, Department of Commerce, Washington, D.C. 20235.

Dated: June 2, 1977.

MORRIS M. PALLOZZI,
Acting Deputy Assistant Director
for Fisheries Management,
National Marine Fisheries
Service.

[FR Doc. 77-16205 Filed 6-8-77; 8:45 am]

DEPARTMENT OF DEFENSE

Office of the Secretary

DDR&E HIGH ENERGY LASER REVIEW GROUP (HELRG) VULNERABILITY, EF- FECTS AND HARDENING PANEL

Closed Meeting

Pursuant to the provisions of Section 10 of Appendix I, Title 5, United States Code, notice is hereby given that a closed meeting of the DDR&E High Energy Laser Review Group Vulnerability, Effects, and Hardening Panel will be held at 8:30 a.m. on Tuesday, Wednesday, Thursday, and Friday, July 19-22, 1977, in San Diego, California. The purpose is to review matters pertaining to the Department of Defense high energy laser program.

The entire meeting will be devoted to a discussion of classified information as defined in subparagraph (1) of Section 552b(c) of Title 5 of the U.S. Code, and therefore, will be closed to the public.

MAURICE W. ROCHE,
Director, Correspondence and
Directives, Office of the As-
sistant Secretary of Defense
(Comptroller).

JUNE 3, 1977.

[FR Doc. 77-16309 Filed 6-8-77; 8:45 am]

BROADCAST SERVICE WORKING GROUPS, 1979 WORLD ADMINISTRATIVE RADIO CONFERENCE

Schedule of Meetings

JUNE 6, 1977.

Pursuant to Public Law 92-463, notice is hereby given of the following meetings for June 1977.

WARC-79 FM BROADCASTING SERVICE GROUP
Wednesday, June 29, 1977—2 p.m. to 4 p.m.,
Room 8210, 2025 M Street, N.W., Washington,
D.C.

Chairman: Gary Hess.
FCC Liaison: Hideyuki Noguchi.

WARC-79 SATELLITE BROADCASTING SERVICE
GROUP

Tuesday, June 28, 1977—9:30 a.m. to 12
noon, Room 8210, 2025 M Street, N.W., Wash-
ington, D.C.

Chairman: Edward E. Reinhart.
FCC Liaison: Charles H. Breit.

The Agendas will be as follows:

1. Call to Order and Announcements by the Chairman.
2. Approval of Minutes of Previous Meeting.
3. Discussion of Comments for Fifth Notice of Inquiry (Do. 20271).
4. Reports from Task Groups.
5. Further Discussion.
6. Next Meeting Date and Adjournment.

The above meetings are open to broadcast industry representatives and interested members of the general public.

FEDERAL COMMUNICATIONS
COMMISSION,
VINCENT J. MULLINS,
Secretary.

[FR Doc. 77-16299 Filed 6-8-77; 8:45 am]

[Report No. 861]

COMMON CARRIER SERVICES INFORMATION

Applications Accepted for Filing

JUNE 8, 1977.

The applications listed herein have been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any of these applications, if upon further examination, it is determined they are defective and not in conformance with the Commission's Rules and Regulations or its policies.

Final action will not be taken on any of these applications earlier than 31 days following the date of this notice, except for radio applications not requiring a 30 day notice period (See § 309(c) of the Communications Act), applications filed under Part 68, applications filed under Part 63 relative to small projects, or as otherwise noted. Unless specified to the contrary, comments or petitions may be filed concerning radio and Section 214 applications within 30 days of the date of this notice and within 20 days for Part 68 applications.

In order for an application filed under Part 21 of the Commission's Rules (Domestic Public Radio Services) to be considered mutually exclusive with any other such application appearing herein, it must be substantially complete and tendered for filing by whichever date is earlier: (a) the close of business one business day preceding the day on which the Commission takes action on the previously filed application; or (b) within 60 days after the date of the public notice listing the first prior filed application (with which the subsequent application is in conflict) as having accepted for filing. In common carrier radio services other than those listed under Part 21, the cut-off date for filing a mutually exclusive application is the close of business one business day preceding the day on which the previously filed application is designated for hearing. With limited exceptions, an application which is subsequently amended by a major change will be considered as a newly filed application for purposes of the cut-off rules. (See §§ 1.227(b)(3) and 21.30(b) of the Commission's Rules.)

FEDERAL COMMUNICATIONS
COMMISSION,
VINCENT J. MULLINS,
Secretary.

APPLICATIONS ACCEPTED FOR FILING

DOMESTIC PUBLIC LAND MOBILE RADIO SERVICE

- 21412-CD-P-77 Marianas Telephone Company (WWA347), C.P. to relocate facilities operating on 454.100 MHz, control at Location No. 2 to be located at Ypao Road and Marine Drive, Tamuning, Guam.
- 21413-CD-R-77 The Mountain States Telephone & Telegraph Company (Developmental) (KAR68). Renewal of License expiring June 1, 1977. Term: June 1, 1977 to June 1, 1978.
- 21415-CD-P-77 Telpage of Tennessee (new), C.P. for a new 1-way station to operate on 152.24 MHz to be located at 2.5 miles South of Cleveland, Tennessee.
- 21416-CD-P-(2)-77 Autophone of Laredo, Inc. (KLP536), C.P. to relocate facilities operating on 454.025 MHz, control and for additional facilities to operate on 152.15 MHz, base at location No. 3: Laredo International Airport, Bldg. 962, Corner of Pappas and Thomas, Laredo, Texas.
- 21418-CD-P-(2)-77 Omni Communications, Inc. (KSV954), C.P. for additional facilities to operate on 158.70 MHz at (2) new sites location No. 7: Asnebumskit Hill, 2.6 miles East of Paxton, Massachusetts; and location No. 8: Federico Industrial Park, off Route 24, Avon, Massachusetts.
- 21419-CD-P-(3)-77 Northern Illinois Radio Phone and Paging Systems, Inc. (KUO608), C.P. for additional facilities to operate on 454.025 MHz at location No. 1: 1100' West of Martin Road on Southside of Street (Rt. No. 120), McHenry, Illinois; and for additional facilities to operate on 454.025 and 454.100 MHz at a new site described as location No. 2: Sears Tower Building, Chicago, Illinois.
- 21420-CD-P-(3)-77 RCA Alaska Communications, Inc. (KTR985), C.P. to change antenna system and relocate facilities operating on 152.57, 152.66 and 152.72 MHz at location No. 3 to be located at Cape Newenham AFS, Radome 152 miles South of Bethel, Cape Newenham, Alaska.
- 21421-CD-P-77 Roanoke & Eotetourt Telephone Company (new), C.P. for a new 1-way station to operate on 158.10 MHz to be located 2.6 miles at 198° from Daleville, Virginia.
- 21422-CD-P-77 Tele-Page of Beaufort, Inc. (new), C.P. for a new station to operate on 152.18 MHz to be located at Palmetto Dunes Complex, Hilton Head Island, South Carolina.
- 21423-CD-P-77 Pacific Paging, Inc. (KSV 964), C.P. for additional facilities to operate on 158.70 MHz to be located at a new site described as location No. 2: Four miles NW of Newberg, Oregon.
- 21425-CD-P-77 Answer Iowa, Inc. (new), C.P. for a new station to operate on 152.09 MHz to be located at 118 Broadway, Fargo, North Dakota.

MAJOR AMENDMENT:

- 21465-CD-P-75 Mobile Radio Systems of San Jose, Inc., San Jose, California (new), Amend location Bald Mountain, 4 miles NE of Watsonville, California, to read 7781 Egleberry Street, Gilroy, California. Amendment also changes transmitter power and transmitting antenna.

CORRECTION:

- 21251-CD-P-77 Empire Paging, Corp. (KWU374), Please correct call sign to KRS-674. All other particulars to remain as reported on PN No. 857 dated May 9, 1977.

POINT TO POINT MICROWAVE RADIO SERVICE

- 2512-CF-P-77 Southwestern Bell Telephone Company (KAM25), 114 North Waters, Olathe, Kansas. Lat. 38°52'58" N., Long. 94°48'56" W. C.P. to replace transmitters and change frequencies 10755V to 11055V 10995H to 10815V MHz toward Shawnee, Kansas.
- 2513-CF-P-77 Same (KAL88) 62nd and Pfum Road, Shawnee, Kansas. Lat. 39°01'01" N., Long. 94°44'35" W. C.P. to replace transmitters and change frequencies 11445H to 11265V 11685V to 11505V MHz toward Olathe, Kansas and 11405V to 11265V 11645H to 11505V MHz toward Kansas City Toll, Kansas.
- 2514-CF-P-77 Same (KAC96) Kansas City Toll 1425 Oak Street, Kansas City, Missouri. Lat. 39°05'47" N., Long. 94°34'41" W. C.P. to replace transmitters and change frequencies 10715H to 11055V 10955V to 10815V MHz toward Shawnee, Kansas.
- 2587-CF-P-77 Same (new) 500 N. Washington, Magnolia, Arkansas. Lat. 33°16'18" N., Long. 93°14'22" W. C.P. for a new station on frequency 6286.2V MHz toward Mt. Sinal, Arkansas on azimuth 101.8°.
- 2588-CF-P-77 Same (new) Sinal 14.9 miles W. of El Dorado, Arkansas. Lat. 33°12'58" N., Long. 92°55'26" W. C.P. for a new station on frequencies 6034.2H toward Magnolia on azimuth 281.9° and 6034.2V MHz toward El Dorado, Arkansas on azimuth 91.3°.
- 2589-CF-P-77 Same (new) 301 W. Main, El Dorado, Arkansas. Lat. 33°12'40" N., Long. 92°39'58" W. C.P. for a new station on frequencies 6286.2H MHz toward Mt. Sinal, Arkansas on azimuth 271.4° and 6286.2V MHz toward Hampton, Arkansas on azimuth 26.9°.
- 2590-CF-P-77 Same (new) E. side of Hwy. 167 Hampton, Arkansas. Lat. 33°32'12" N., Long. 92°28'07" W. C.P. for a new station on frequencies 6034.2H MHz toward El Dorado on azimuth 207.0° and 6034.2V MHz toward Warren, Arkansas 78.1°.
- 2591-CF-P-77 Same (new) 1.5 miles W. of Warren, Arkansas. Lat. 33°35'50" N., Long. 92°06'52" W. C.P. for a new station on frequencies 6286.2H MHz toward Hampton on azimuth 258.3° and 6286.2V MHz toward Monticello, Arkansas on azimuth 71.1°.
- 2592-CF-P-77 Same (new) 3.5 miles NNW. of Monticello, Arkansas. Lat. 33°41'00" N., Long. 91°49'03" W. C.P. to add a new point of communication on frequencies 6034.2H MHz toward Warren on azimuth 251.3° and 6034.2V MHz toward Star City on azimuth 349.3°.
- 2593-CF-P-77 Same (WHA75) 2.0 miles WNW. of Star City, Arkansas. Lat. 33°57'15" N., Long. 91°52'44" W. C.P. to add frequencies 6286.2H MHz toward Monticello and 6286.2V MHz toward Pine Bluff, Arkansas.
- 2594-CF-P-77 Same (KYJ50) 720 Beech Street, Pine Bluff, Arkansas. Lat. 34°13'19" N., Long. 92°00'35" W. C.P. to add frequency 6034.2H MHz toward Star City, Arkansas.
- 2595-CF-P-77 The Chesapeake and Potomac Telephone Company of Virginia (KIA30), Carter Mt., 3.5 miles South of Charlottesville, Virginia. Lat. 37°59'06" N., Long. 78°28'49" W. C.P. to add frequency 5997.1H MHz toward Bucks Elbow, Virginia.
- 2596-CF-P-77 Same (KIB29) Bucks Elbow 3.3 miles NW. of Crozet, Virginia. Lat. 38°06'07" N., Long. 78°44'51" W. C.P. to add frequency 6249.1H MHz toward Carter Mt., Virginia.

- 2597-CF-P-77 Same (KIN87) 700 Church Street Lynchburg, Virginia. Lat. 37°24'57" N., Long. 79°08'40" W. C.P. to add frequencies 10915V 11155H MHz toward Long Mt., Virginia.
- 2598-CF-P-77 Same (KJK28) Long. Mt. 1.2 miles NNW. of Rustburg, Virginia. Lat. 37°17'12" N., Long. 79°05'25" W. C.P. to add frequencies 11365V 11605H MHz toward Lynchburg, Va.
- 2601-CF-P-77 The Mountain States Telephone and Telegraph Company (KPZ67), South Pass 3.1 miles NNE. of Atlantic City, Wyoming. Lat. 42°32'19" N., Long. 103°42'37" W. C.P. to replace transmitters and move antenna on frequencies 5997.1H 10875V MHz toward Pacific Crk.
- 2602-CF-P-77 Same (KPZ68) Pacific Creek 6.9 miles NE. of Parson, Wyoming. Lat. 42°09'19" N., Long. 109°19'39" W. C.P. to replace transmitter on frequencies 6249.1H 11325V MHz toward South Pass.
- 2603-CF-P-77 Pacific Northwest Bell Telephone Company (KOE81), Seattle 3, 1708 East Pike Street, Seattle, Washington. Lat. 47°38'53" N., Long. 122°18'31" W. C.P. to increase output power and replace transmitters on frequencies 6071.2H, 10755V, 10995H MHz toward Auburn, Washington.
- 2604-CF-P-77 Same (KPZ54) Auburn 3.0 miles South of Auburn, Washington. Lat. 47°15'25" N., Long. 122°13'07" W. C.P. to increase output power and replace transmitter on frequencies 6323.3H, 11685V, 11445H MHz toward Seattle 3 and 6226.9H 6945.5H MHz toward Capitol Peak, Washington.
- 2605-CF-P-77 Same (KTF83), Capitol Peak 11.0 miles WSW. of Tumwater, Washington. Lat. 46°58'20" N., Long. 123°08'16" W. C.P. to increase output power and replace transmitters on frequencies 10755V, 10875V, 10995H MHz toward Olympia and 5974.8H, 6093.5H MHz toward Auburn, Washington.
- 2606-CF-P-77 Same (KTF82) 119 East 7th Avenue, Olympia, Washington. Lat. 47°02'32" N., Long. 122°53'57" W. C.P. to increase output power on frequencies 11325V, 11445H and 11685V MHz toward Olympia, Washington.
- 2613-CF-P-77 The Pacific Telephone and Telegraph Company (KMW56), Mt. Adelaide 16 miles East of Bakersfield, California. Lat. 35°26'16" N., Long. 118°44'28" W. C.P. to add frequency 3121.6V MHz toward Bakersfield, California.
- 2614-CF-P-77 The Pacific Telephone and Telegraph Company (KML61), 1520 20th Street, Bakersfield, California. Lat. 35°22'39" N., Long. 119°01'08" W. C.P. to add frequency 2171.6V MHz toward Mt. Adelaide, California.
- 2615-CF-P-77 Pacific Northwest Bell Telephone Company (KPC63), 915 S.E. Mosher Avenue, Roseburg, Oregon. Lat. 43°12'20" N., Long. 123°20'42" W. C.P. to increase output power on frequencies 10715V MHz toward Mt. Nebo.
- 2659-CF-P-77 American Telephone and Telegraph Company (KAB24) 931 14th Street Denver, Colorado. Lat. 39°44'43" N., Long. 104°59'45" W. C.P. to add frequencies 4090V MHz toward Critchell, Colorado.
- 2660-CF-P-77 Same (KAY83), Critchell 4.1 miles NNW. of South Platte, Colorado. Lat. 39°28'13" N., Long. 105°11'52" W. C.P. to add frequencies 4050V MHz toward Denver and 4050 V MHz toward Westcreek, Colorado.
- 2661-CF-P-77 Same (KAY69) 6.9 miles ENE. of Westcreek, Colorado. Lat. 39°10'33" N., Long. 105°02'03" W. C.P. to add frequency 4090V MHz toward Critchell.
- 2662-CF-P-77 Same (WHB40) 221 West 4th Street Pueblo, Colorado. Lat. 38°16'15" N., Long. 104°38'31" W. C.P. to add frequency 3890H MHz toward Cedarwood.
- 2663-CF-P-77 Same (KAS85) 8.9 miles NE. of Cedarwood, Colorado. Lat. 38°02'02" N., Long. 104°29'20" W. C.P. to add frequency 3930H MHz toward Pueblo, Colorado.
- 2569-CF-P-77 Pacific Telatronics, Inc. (KPN 74), King Mountain, 8 miles East of Wolf Creek, Oregon. Lat. 42°41'49" N., Long. 123°13'39" W. Construction permit to add 8011.9H MHz toward Gilbert Peak, Oregon, via power split, on azimuth 198.6°.
- 2611-CF-P-77 Eastern Microwave, Inc. (WQR 72), U.S. Route 30, 1.5 mile SE of Hookstown, Pennsylvania. Lat. 40°34'37" N., Long. 80°27'24" W. Construction permit to add 10975.0V MHz and 11335.0V MHz toward Rochester, Pennsylvania, via power split, on azimuth 45.8°.
- 2612-CF-P-77 Eastern Microwave, Inc. (WDD 72), Blue Mountain, Appalachian Trail, 2 miles SSE of No. 183 and 895, Summit Station, Pennsylvania. (Lat. 40°31'55" N., Long. 76°11'45" W. Construction permit to add 6049.0H MHz toward Hershey NOC, Pennsylvania, via power split, on azimuth 234.9°.
- 2623-CF-P-77 Tower Communication Systems Corporation (WPP 49), 3.2 miles ENE of Stoutsville, Ohio. Lat. 39°36'56" N., Long. 82°46'20" W. Construction permit to add 10735.0H MHz toward Columbus, Ohio. Via power split, on azimuth 247.3°.
- 2627-CF-R-77 General Telephone Company of the Northwest, Inc. (WAT 941), temporary fixed, developmental, within the territory of the Grantee. Received application for radio station license renewal.
- 2631-CF-P-77 Eastern Microwave, Inc. (WDD 68), W. Rockhill, off Ridge Valley Road, 2.5 miles NW of Sellersville, Pennsylvania. Lat. 40°23'02" N., Long. 75°21'02" W. Construction permit to add 6286.2H MHz toward Plymouth Meeting, Pennsylvania, on azimuth 170.0°.
- 2632-CF-P-77 Eastern Microwave, Inc. (WBB 321), routes 611 and 73, Jenkintown, Pennsylvania. Lat. 40°04'16" N., Long. 75°07'43" W. Construction permit to add 6152.8H MHz toward Burlington and Gloucester City, both in New Jersey and to add same frequency with Vertical Polarity toward Audubon, New Jersey and Fairless Hills, Pennsylvania, via power split, on azimuths 117.0°, 117.2°, 167.5° and 63.0° respectively.
- 2634-CF-P-77 Eastern Microwave, Inc. (WDD 82), State Route 819, 1 mile SE of Bell Point, Pennsylvania. Lat. 40°32'03" N., Long. 79°31'59" W. Construction permit to add 10895.0H and 11175.0V MHz toward New Kensington, Pennsylvania, on azimuth 281.7°.
- 2673-CF-R-77 New Jersey Telephone Company (KYC 84), temporary fixed, developmental, within the territory of the Grantee. Received application for radio station license renewal.

MAJOR AMENDMENTS:

- 1276-CF-P-77 American Telephone and Telegraph Company (KJK73), Monticello, Florida. Amended to increase height of antenna structure, replace and move antenna on frequency 3750.0V MHz toward Madison, Florida.
- 1277-CF-P-77 Same (KJM72), Madison, Florida. Amended to increase height of antenna structure, replace and move antenna on frequency 3710V MHz towards Monticello, Florida and 3710V MHz towards Jasper, Florida.
- 1278-CF-P-77 Same (KJM71), Jasper, Florida. Amended to increase height of antenna structure, replace and move antenna on frequency 3750.0H MHz towards Madison.
- 3598-CF-P-76 RCA American Communications, Inc. (new), Burlington, Wisconsin. Lat. 42°39'18" N., Long. 88°11'23" W. Application amended to change frequency from 11345H MHz to 11505H MHz toward Lake Geneva, Wisconsin, on azimuth 258.7°.
- 638-CI-P-74 Western Tele-Communications, Inc. (WPP 83), Harrison Mountain, 12.4 miles WNW of Malta, Idaho. Lat. 42°20'05" N., Long. 113°36'16" W. Application amended—(a) to add frequencies 6226.9V, 6286.2V, 6345.5V and 6404.8V MHz toward new point of communication at Jerome, Idaho, and (b) to add same frequencies toward new point of communication at Jerome Butte, Idaho.
- 639-CI-P-74 Western Tele-Communications, Inc. (KEY 30), Castleford, Idaho. Lat. 42°30'41" N., Long. 115°01'20" W. Application amended to delete Jerome, Idaho as a point of communication.

[FR Doc.77-16302 Filed 6-8-77;8:45 am]

FEDERAL ENERGY
ADMINISTRATION

AMES ELECTRIC UTILITY

Issuance of Notice of Effectiveness To
Make Effective Previously Issued Prohibition Order

Pursuant to 10 CFR 303.37(d), the Federal Energy Administration (FEA) hereby gives notice that on June 3, 1977, it issued a Notice of Effectiveness making effective the Prohibition Order previously issued on June 30, 1975, (40 FR 28430, July 3, 1975) to the below listed powerplant. The Notice of Effectiveness was issued under the authorities granted to FEA by section 2 of the Energy Supply and Environmental Coordination Act of 1974, as amended, and pursuant to 10 CFR Parts 303 and 305.

Docket No.	Owner	Powerplant No.	Generating station	Location
OFU-001	Ames Electric Utility	7	Ames	Ames, Iowa.

The Prohibition Order issued by FEA on June 30, 1975, to the above listed powerplant prohibits the powerplant from burning natural gas or petroleum products as its primary energy source. In accordance with the requirements of 10 CFR Parts 303 and 305, however, the order provided it would not become effective until FEA had considered the environmental impact of the order and until FEA had served the affected powerplant with a Notice of Effectiveness. Subsequent to issuance of the Prohibition Order, FEA performed an analysis

pursuant to 10 CFR 305.9 and 208.3, of the environmental impact of the issuance of this Notice of Effectiveness including an assessment of the EPA Notification dated December 22, 1975, pursuant to Section 119(d)(1)(b) of the Clean Air Act, that December 22, 1975 was the earliest date that this powerplant could burn coal and comply with all applicable air pollution control requirements. That analysis resulted in a determination that it is clear that issuance of this Notice of Effectiveness making this Prohibition Order effective is

not a "major Federal action significantly affecting the quality of the human environment" within the meaning of Section 102(2)(C) of the National Environmental Policy Act, 42 U.S.C. 4332(2)(C). Public notice of the negative determination and of the availability for inspection of this analysis was given in the *FEDERAL REGISTER* published April 4, 1977, in accordance with 10 CFR 208.4(c) and 208.15(a).

Upon completion of this environmental analysis, FEA issued this Notice of Effectiveness of the June 30, 1975, Prohibition Order to the above listed powerplant and served the Notice on the powerplant by registered mail on the same day. The Notice makes effective the Prohibition Order, prohibiting the powerplant from burning natural gas or petroleum products as its primary energy source.

Any person aggrieved by the now effective Prohibition Order may file an appeal with the FEA Office of Exceptions and Appeals in accordance with 10 CFR Part 303, Subpart H. The appeal shall be filed within 30 days after June 3, 1977. There has not been an exhaustion of administrative remedies until an appeal has been filed pursuant to Subpart H of Part 303, and the appellate proceeding is completed by the issuance of an order granting or denying the appeal.

Application may be made for modification or rescission of the Prohibition Order in accordance with the provisions of 10 CFR Part 303, Subpart J. An application for modification or rescission of a Prohibition Order based on "significantly changed circumstances," which circumstances occurred during the interval between issuance of the order and service of the Notice of Effectiveness, shall be filed within 30 days of June 3, 1977. An application for modification or rescission of a Prohibition Order based on significantly changed circumstances occurring after that interval may be filed at any time after June 3, 1977.

All terms and conditions of the Prohibition Order and the Notice of Effectiveness may be the subject of either an appeal or an application for modification or rescission.

The order made effective by this Notice of Effectiveness is effective against any persons that, as of June 3, 1977, own, lease, operate, or control the above listed powerplant and against any successors-in-interest or assignees of such persons.

The above listed powerplant has been served this Notice of Effectiveness by registered mail. In addition, copies of this document will be available for inspection by any interested members of the public at the FEA public docket room located in Room B-120, 2000 M Street, N.W., Washington, D.C., from 1-5 p.m., Monday-Friday. Copies will also be available in the appropriate FEA regional office. The negative determination and environmental analyses are available upon request from the FEA National Energy Information Center, Room 1404, 12th and Pennsylvania Avenue, N.W., Washington, D.C. 20461. Copies of the documents are also available for public review in the FEA Freedom of Informa-

tion Reading Room, Room 2107, 12th and Pennsylvania Avenue, N.W., Washington, D.C.

Any questions regarding this notice should be directed to the Director, Office of Coal Utilization, Federal Energy Administration, 12th Street and Pennsylvania Avenue, N.W., Washington, D.C. 20461. (202) 566-7941.

Issued in Washington, D.C., June 3, 1977.

ERIC J. FYGI,
Acting General Counsel,
Federal Energy Administration.

[FR Doc.77-16236 Filed 6-8-77;8:45 am]

KANSAS POWER AND LIGHT COMPANY'S TECUMSEH GENERATING STATION, POWERPLANTS 9 AND 10

Negative Determination of Environmental Impact

Pursuant to 10 CFR 208.4, and 305.9, the FEA hereby gives notice that it has performed an analysis and review of the environmental impact of the proposed issuance of a Notice of Effectiveness for the prohibition order to Kansas Power and Light Company, Tecumseh Generating Station, Powerplants 9 and 10.

On June 30, 1975, the FEA issued prohibition orders to the above-listed powerplants which prohibited the powerplants from burning natural gas or petroleum products as their primary energy source. The prohibition orders provided, however, that in accordance with the requirements of 10 CFR Parts 303 and 305, the orders would not become effective until either, (1) the Administrator of the Environmental Protection Agency (EPA) notifies the FEA, in accordance with section 119(d)(1)(B) of the Clean Air Act, that a particular powerplant will be able on and after July 1, 1975, to burn coal and to comply with all applicable air pollution requirements without a compliance date extension under section 119, or (2) if no notification is given by EPA, the date that the Administrator of EPA certifies pursuant to section 119(d)(1)(B) of the Clean Air Act is the earliest date that a particular powerplant will be able to comply with all applicable air pollution requirements under section 119 of the Act; and, until FEA has performed an analysis of the environmental impact of the issuance of a Notice of Effectiveness, pursuant to 10 CFR 305.9, and has served the powerplant the Notice of Effectiveness, as provided in 10 CFR 303.10(b), 303.37(b) and 305.7.

The FEA has analyzed and revised the effect on the human environment of issuance of the Notice of Effectiveness, and has determined that issuance of a Notice of Effectiveness for the prohibition orders to the above-listed powerplants is not a "major Federal action significantly affecting the quality of the human environment" within the meaning of the National Environmental Policy Act, 42 U.S.C. 4332(2)(C). Therefore, pursuant to 10 CFR 208.4(c), FEA concludes that an environmental impact statement is not required.

Additional copies of this negative determination of environmental impact

and copies of the environmental assessment upon which it is based are available upon request from the FEA National Energy Information Center, Room 1404, Federal Building, 12th and Pennsylvania Avenue, N.W., Washington, D.C. 20461. Copies of the documents are also available for public review in the FEA Freedom of Information Reading Room, Room 2107, 12th and Pennsylvania Avenue, N.W., Washington, D.C. 20461.

Interested persons are invited to submit data, views, or arguments with respect to the environmental impacts of the Notice of Effectiveness and the associated negative determination and environmental assessment to Executive Communications, Box MY, Room 3317, Federal Energy Administration, 12th and Pennsylvania Avenue, N.W., Washington, D.C. 20461.

Comments should be identified on the outside of the envelope and on documents submitted to FEA Executive Communications with the designation, "Negative Determination—Proposed NOE to Kansas Power and Light Company's Tecumseh Generating Station, Powerplants 9 and 10." Fifteen copies should be submitted on or before June 29, 1977 of this Notice.

Any information or data considered by the person furnishing it to be confidential must be so identified and submitted in one copy only. The FEA reserves the right to determine the confidential status of the information or data and to treat it according to that determination.

Issued in Washington, D.C., on June 3, 1977.

ERIC J. FYGI,
Acting General Counsel,
Federal Energy Administration.

[FR Doc.77-16235 Filed 6-8-77;8:45 am]

LP-GAS INDUSTRY ADVISORY COMMITTEE Meeting

Pursuant to the provisions of the Federal Advisory Committee Act (Public Law 92-463, 86 Stat. 770), notice is hereby given that the LP-Gas Industry Advisory Committee will meet Tuesday, June 28, 1977, at 9 a.m., Room 5041, FEA Headquarters, 12th & Pennsylvania Ave., N.W., Washington, D.C.

The Committee was established to provide the Administrator, FEA, with advice with respect to the implementation of programs that affect the LP-Gas Industry.

The agenda for the meeting is as follows:

1. Report by the Advisory Committee on the LP-Gas Supply and Demand Study
2. Report by the Subcommittee on Government Policies and Regulations
3. Review of the National Energy Plan
4. FEA Regulatory Developments
5. Status of Advisory Committees within the Proposed Department of Energy
6. Public Comment

The meeting is open to the public. The Chairman of the Committee is em-

powered to conduct the meeting in a fashion that will, in his judgment, facilitate the orderly conduct of business. Any member of the public who wishes to file a written statement will be permitted to do so, either before or after the meeting. Members of the public who wish to make oral statements should inform Lois Weeks, Director, Advisory Committee Management (202) 566-9969, at least 5 days prior to the meeting and reasonable provision will be made for their appearance on the agenda.

Further information concerning this meeting may be obtained from the Advisory Committee Management Office.

The transcript of the meeting will be available for public review at the Freedom of Information Public Reading Room, Room 2107, FEA, Federal Building, 12th and Pennsylvania Avenue, NW., Washington, D.C., between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays. Any person may purchase a copy of the transcript from the reporter.

Issued at Washington, D.C. on June 3, 1977.

ERIC J. FYGI,
Acting General Counsel.

[FR Doc. 77-16237 Filed 6-8-77; 8:45 am]

FEDERAL HOME LOAN BANK BOARD

[No. AC-37]

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF FULTON COUNTY

Approval of Conversion; Final Action

JUNE 1, 1977.

Notice is hereby given that on June 1, 1977, the Federal Home Loan Bank Board, as the operating head of the Federal Savings and Loan Insurance Corporation by Resolution No. 77-349 approved the application of First Federal Savings and Loan Association of Fulton County, Rochester, Indiana, for permission to convert to the stock form of organization. Copies of the application are available for inspection at the Office of the Secretary of said Corporation, 320 First Street, N.W., Washington, D.C. 20552 and at the Office of the Supervisory Agent of said Corporation at the Federal Home Loan Bank of Indianapolis, 2900 Indiana Tower, One Indiana Square, Indianapolis, Indiana 46204.

By the Federal Home Loan Bank Board.

J. J. FINN,
Secretary.

[FR Doc. 77-16328 Filed 6-8-77; 8:45 am]

[No. AC-38]

PAN AMERICAN FEDERAL SAVINGS AND LOAN ASSOCIATION

Approval of Conversion; Final Action

JUNE 1, 1977.

Notice is hereby given that on June 1, 1977, the Federal Home Loan Bank Board, as the operating head of the Federal Savings and Loan Insurance Corporation

by Resolution No. 77-348, approved the application of Pan American Federal Savings and Loan Association, San Francisco, California, for permission to convert to the stock form of organization. Copies of the application are available for inspection at the Office of the Secretary of said Corporation, 320 First Street, N.W., Washington, D.C. 20552 and at the Office of the Supervisory Agent of said Corporation at the Federal Home Loan Bank of San Francisco, 600 California Street, San Francisco, California 94120.

By the Federal Home Loan Bank Board.

J. J. FINN,
Secretary.

[FR Doc. 77-16329 Filed 6-8-77; 8:45 am]

FEDERAL MARITIME COMMISSION

PUERTO RICO MARITIME SHIPPING AUTHORITY

TRAILER MARINE TRANSPORT CORP.

Agreement Filed

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington Office of the Federal Maritime Commission, 1100 L Street NW., Room 10126; or may inspect the agreement at the Field Offices located at New York, N.Y., New Orleans, Louisiana, San Francisco, California, and Old San Juan, Puerto Rico. Comments on such agreements, including requests for hearing, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, by June 29, 1977. Any person desiring a hearing on the proposed agreement shall provide a clear and concise statement of the matters upon which they desire to adduce evidence. An allegation of discrimination or unfairness shall be accompanied by a statement describing the discrimination or unfairness with particularity. If a violation of the Act or detriment to the commerce of the United States is alleged, the statement shall set forth with particularity the acts and circumstances said to constitute such violation or detriment to commerce.

A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the statement should indicate that this has been done.

Notice of agreement filed by:

Harvey M. Flitter, Vice President, Pricing and Regulatory Matters, Seatrain Lines, Inc., Container Division, Port Seatrain, Weehawken, New Jersey 07087.

Agreement No. DC-83-3, among Puerto Rico Maritime Shipping Authority (PRMSA), Trailer Marine Transport Corporation (TMT), and Seatrain Gtmo, Inc. (Seatrain), modifies the basic agreement which provides for the parties': (1) Discussion of tariff rates,

charges, classification, practices, and related matters to be charged or observed by each in the U.S. Atlantic Coast/Puerto Rico trade; and (2) discussion exploring the resolution of matters in litigation between the parties before the Federal Maritime Commission. The purpose of the modification is to provide that each party, in an attempt to stop the practice of absorbing wharfage in Puerto Rico, concurrently but independently reduce particular southbound ocean rates 0.02 cent per cubic foot and/or \$36 per trailer and particular northbound ocean rates by 0.01 cent per cubic foot or 0.03 cent per 100 lbs. Rates would then be subject to Puerto Rican wharfage as provided in individual carrier's tariffs.

By order of the Federal Maritime Commission

Dated: June 3, 1977.

JOSEPH C. POLKING,
Acting Secretary.

[FR Doc. 77-16344 Filed 6-8-77; 8:45 am]

TRANSLAKES TERMINAL CORP. AND INDIANA PORT AUTHORITY

Agreement Filed

Notice is hereby given that the following agreement has been filed with the Commission for review and approval, if required, pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1100 L Street NW., Room 10126; or may inspect the agreement at the Field Offices located at New York, N.Y., New Orleans, Louisiana, San Francisco, California, and Old San Juan, Puerto Rico. Comments on such agreements, including requests for hearing, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, by June 20, 1977. Any person desiring a hearing on the proposed agreement shall provide a clear and concise statement of the matters upon which they desire to adduce evidence. An allegation of discrimination or unfairness shall be accompanied by a statement describing the discrimination or unfairness with particularity. If a violation of the Act or detriment to the commerce of the United States is alleged, the statement shall set forth with particularity the acts and circumstances said to constitute such violation or detriment to commerce.

A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the statement should indicate that this has been done.

Notice of agreement filed by:

Mr. William E. Dally, Assistant Attorney General, State of Indiana, 219 State House, Indianapolis, Indiana 46204.

Agreement No. T-3451, between Translakes Terminal Corporation (Translakes) and the Indiana Port Commission has been filed for formal Federal

Maritime Commission review and approval if necessary. The agreement provides for a 15-year lease (with an additional five-year renewal option) to Translakes of certain premises at the east harbor arm of Burns Waterway Harbor. It is anticipated that Translakes will handle bulk liquids and that cargo will move by contract carriers.

Translakes is granted a license to lay a pipeline of flexible hose to the dockside; however, that license is subject to such rights as Ceres, Incorporated, may have under a prior lease which gives Ceres exclusive use of that dock area. The Ceres lease is being contested before the Federal Maritime Commission in Docket No. 76-59, Agreements Nos. T-3310 and T-3311.

A review of Agreement No. T-3451, indicates it may not require this Commission's approval under section 15, Shipping Act, 1916; however, in view of the litigation in Docket No. 76-59, supra, the Commission believes that notice of the filing of Agreement No. T-3451 should be published and an opportunity afforded interested parties to comment thereon if they so desire.

By order of the Federal Maritime Commission.

Dated: June 6, 1977.

JOSEPH C. POLKING,
Acting Secretary.

[FR Doc. 77-16345 Filed 6-8-77; 8:45 am]

FAR EAST CONFERENCE

Notice of Agreement Filed

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1100 L Street, N.W., Room 10126; or may inspect the agreement at the Field Offices located at New York, N.Y., New Orleans, Louisiana, San Francisco, California and San Juan, Puerto Rico. Comments on such agreements, including requests for hearing, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, on or before June 29, 1977. Any person desiring a hearing on the proposed agreement shall provide a clear and concise statement of the matters upon which they desire to adduce evidence. An allegation of discrimination or unfairness shall be accompanied by a statement describing the discrimination or unfairness with particularity. If a violation of the Act or detriment to the commerce of the United States is alleged, the statement shall set forth with particularity the acts and circumstances said to constitute such violation or detriment to commerce.

A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the statement should indicate that this has been done.

Notice of Agreement Filed by:

Elkan Turk, Jr., Esq., Burlingham Underwood & Lord, One Battery Park Plaza, New York, New York 10004.

Agreement No. 17-37 amends Article 12(1)(4) of the Far East Conference Agreement to provide that the Neutral Body shall be authorized to assess liquidated damages in an amount not to exceed \$120,000 for each breach of the agreement, tariff rates or rules and regulations. Presently, the agreement provides for a graduated scale of liquidated damages to be assessed in the following respective maximum amounts for the first, second, third, fourth and subsequent breaches, i.e., \$20,000, \$60,000, \$80,000 and \$120,000.

By Order of the Federal Maritime Commission.

Dated: June 3, 1977.

JOSEPH C. POLKING,
Acting Secretary.

[FR Doc. 77-16343 Filed 6-8-77; 8:45 am]

FEDERAL POWER COMMISSION

[Docket No. ER 77-383]

ALLEGHENY POWER SERVICE CORP.

Filing of Certificate of Concurrence

JUNE 2, 1977.

Take notice that Allegheny Power Service Corporation (APSC) on May 18, 1977 tendered for filing a Certificate of Concurrence on behalf of West Penn Power Company and Monongahela Power Company with respect to the filing by American Electric Power Service Corporation by letter of transmittal dated May 9, 1977 of a rate schedule specified as Modification No. 6 to the Operating Agreement dated June 1, 1971 among Appalachian Power Company, Ohio Power Company, Wheeling Electric Company, Monongahela Power Company and West Penn Power Company.

APSC indicates that enclosed with this filing is certain cost data for Monongahela Power Company and West Penn Power Company in support of the proposed rates.

Any person desiring to be heard or to protest said filing should file a petition to intervene or protest with the Federal Power Commission, 825 North Capitol Street, N.E., Washington, D.C. 20426, in accordance with Sections 1.8 and 1.10 of the Commission's Rules of Practice and Procedure (18 CFR 1.8, 1.10). All such petitions or protests should be filed on or before June 19, 1977. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a petition to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

KENNETH F. PLUMB,
Secretary.

[FR Doc. 77-16269 Filed 6-8-77; 8:45 am]

[Docket No. ER77-340]

ALLEGHENY POWER SERVICE CORP.

Changes in Rates and Charges

JUNE 2, 1977.

Take notice that Allegheny Power Service Corporation (APSC) on May 11, 1977 tendered for filing on behalf of Monongahela Power Company (Monongahela), The Potomac Edison Company (PE), and West Penn Power Company (West Penn), the electric utilities which make up the integrated Allegheny Power System, Amendment No. 6 dated April 14, 1977 to the Interconnection Operating Agreement dated February 1, 1973 between Monongahela, PE, and West Penn and Virginia Electric Power Company (Vepco) designated Monongahela Rate Schedule FPC No. 32, PE Rate Schedule No. 33 and West Penn Rate Schedule FPC No. 31.

APSC indicates that Amendment No. 6 provides for an increase in the demand charge for short-term power and energy from \$0.50 to \$0.60 per kilowatt week, an increase in demand charge for limited-term power and energy from \$2.75 to \$3.25 per kilowatt month and an increase in the charge for short-term and limited-term power obtained by the supplying party from another system from \$0.125 to \$0.15 and from \$0.55 to \$0.65 respectively. APSC requests waiver of the Commission's notice requirements to allow these increases to become effective May 31, 1977. APSC states that since short-term power and energy transactions and limited-term power and energy transactions are scheduled from time to time as load capacity conditions on the systems of the parties dictate it is impossible to estimate the increase in revenues which would result from Amendment No. 6.

Any person desiring to be heard or to protest said application should file a petition to intervene or protest with the Federal Power Commission, 825 North Capitol Street, N.E., Washington, D.C. 20426 in accordance with §§ 1.8 and 1.10 of the Commission's rules of practice and procedure. All such petitions or protest should be filed on or before June 10, 1977. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a petition to intervene. Copies of this application are on file with the Commission and are available for public inspection.

KENNETH F. PLUMB,
Secretary.

[FR Doc. 77-16272 Filed 6-8-77; 8:45 am]

[Docket No. ER77-387]

AMERICAN ELECTRIC POWER SERVICE CORP.

Changes in Rates and Charges

(JUNE 3, 1977).

Take notice that American Electric Power Service Corporation (AEP) on May 20, 1977, tendered for filing on behalf of its affiliate Ohio Power Company

(Ohio Power), Modification No. 1 dated April 1, 1977 to the Operating Agreement dated December 1, 1965, between Ohio Power Company and Toledo Edison Company designated Ohio Power Rate Schedule FPC No. 35.

AEP indicates that Modification No. 1 replaces the existing Short Term Service Schedule F with a new updated version of the service. AEP also indicates that in addition the Modification provides for (1) an increase in the demand charge for Short Term Power from \$0.30/kW-week to \$0.60/kW-week, (2) reservation of Short Term Power from the system of a third party with a transmission charge of \$0.15/kW-week, and (3) a new initial rate schedule entitled "Limited Term Power" Service Schedule G with a demand charge rate of \$3.25/kW-month and a transmission charge of \$0.65/kW-month for third party transactions, both schedules proposed to become effective July 1, 1977.

AEP states that since the use of Short Term and Limited Term Power cannot be accurately estimated, it is impossible to estimate the increase in revenues resulting from the Modification. AEP indicates that there were no Short Term Power transactions between the parties in the past twelve months.

AEP states that copies of the filing were served upon Toledo Edison Company and to Public Utilities Commission of Ohio.

Any person desiring to be heard or to protest said filing should file a petition to intervene or protest with the Federal Power Commission, 825 North Capitol Street, N.E., Washington, D.C. 20426, in accordance with §§ 1.8 and 1.10 of the Commission's rules of practice and procedure (18 CFR 1.8, 1.10). All such petitions or protests should be filed on or before June 15, 1977. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a petition to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

KENNETH F. PLUMB,
Secretary.

[FR Doc. 77-16285 Filed 6-8-77; 8:45 am]

[Docket No. ER77-390]

AMERICAN ELECTRIC POWER SERVICE CORP.

Changes in Rates and Charges

JUNE 2, 1977.

Take notice that American Electric Power Service Corporation (AEP) on May 23, 1977, tendered for filing on behalf of its affiliate, Ohio Power Company (Ohio Company), Modification No. 6 dated December 1, 1976 to the Facilities and Operating Agreement dated May 1, 1967 between Ohio Power

Company and Dayton Power and Light Company, designated Ohio's Rate Schedule FPC No. 36.

AEP indicates that Section 1 of Modification No. 6 provides for an increase in the demand charge for Short Term Power from \$0.50 to \$0.60 per kilowatt per week and also an increase in the transmission charge from \$0.125 to \$0.15 per kilowatt per week. AEP also indicates that Section 2 provides for an increase in the demand charge for Limited Term Power from \$2.75 to \$3.25 per kilowatt per month and Section 3 provides for an increase in the transmission charge from \$0.55 to \$0.65 per kilowatt per month, both schedules proposed to become effective on July 1, 1977.

AEP states that since the use of Short Term and Limited Term Power cannot be accurately estimated, for the twelve months period succeeding the date of filing, it is impossible to estimate the increase in revenues resulting from this modification for such period. AEP also states that Ohio Company's Exhibit I, which was included with the filing of this modification, demonstrates that the increase in revenue, which would have resulted had the modification been in effect during the twelve month period ending December 1976 would have been \$10,000 (i.e., from \$200,937.60 to \$210,937.60).

According to AEP copies of the filing were served upon Dayton Power and Light Electric Company and the Public Utilities Commission of Ohio.

Any person desiring to be heard or to protest said application should file a petition to intervene or protest with the Federal Power Commission, 825 North Capitol Street, Washington, D.C. 20426, in accordance with §§ 1.8 and 1.10 of the Commission's rules of practice and procedure (18 CFR 1.8, 1.10). All such petitions or protests should be filed on or before June 15, 1977. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a petition to intervene. Copies of this application are on file with the Commission and are available for public inspection.

KENNETH F. PLUMB,
Secretary.

[FR Doc. 77-16286 Filed 6-8-77; 8:45 am]

[Docket No. ER77-395]

ARIZONA PUBLIC SERVICE CO.

Amendment to Agreement

JUNE 2, 1977.

Take notice that on May 24, 1977, Arizona Public Service Company (APS) tendered for filing supplements or amendments to the following rate schedules with the following resale customers:

FPC No.:

- 12—Electrical District No. 3
- 13—Electrical District No. 7
- 14—Maricopa County Municipal Water Conservation District No. 1
- 15—Roosevelt Irrigation District
- 16—Buckeye Water Conservation & Drainage District (Buckeye Irrigation District)
- 35—Electrical District No. 6

APS indicates that each filing relates to a letter agreement between APS and the respective customer providing for a modification of the language of the service contract between them relating to the computation of rates under certain circumstances.

Any person desiring to be heard or to protest said filing should file a petition to intervene or protest with the Federal Power Commission, 825 North Capitol Street, N.E., Washington, D.C. 20426, in accordance with Sections 1.8 and 1.10 of the Commission's Rules of Practice and Procedure (18 CFR 1.8, 1.10). All such petitions or protests should be filed on or before June 15, 1977. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a petition to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

KENNETH F. PLUMB,
Secretary.

[FR Doc. 77-16287 Filed 6-8-77; 8:45 am]

[Docket No. ER77-380]

CENTRAL ILLINOIS PUBLIC SERVICE CO.

Filing of First Revision to Interconnection Agreement

JUNE 3, 1977.

Take notice that on May 19, 1977, Central Illinois Public Service Company (CIPS) tendered for filing a proposed First Revision to the Interconnection Agreement dated May 2, 1972, with Southern Illinois Power Cooperative. CIPS indicates that the proposed effective date of the revision is June 5, 1977.

CIPS indicates that said revised agreement revises the reservation charges for Emergency, Short-term, Non-firm, and Short-term Firm Power transactions.

Any person desiring to be heard or to protest said filing should file a petition to intervene or protest with the Federal Power Commission, 825 North Capitol Street, N.E., Washington, D.C. 20426, in accordance with §§ 1.8 and 1.10 of the Commission's rules of practice and procedure (18 CFR 1.8, 1.10). All such petitions should be filed on or before June 14, 1977. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a petition to inter-

vene. Copies of this filing are on file with the Commission and are available for public inspection.

KENNETH F. PLUMB,
Secretary.

[FR Doc.77-16258 Filed 6-8-77;8:45 am]

[Project No. 460]

CITY OF TACOMA

Issuance of Annual License(s)

JUNE 3, 1977.

On November 5, 1974, the City of Tacoma, Licensee for the Lake Cushman Project No. 460, located in Mason and Pierce Counties, State of Washington, filed an application for a new license pursuant to the Federal Power Act and Commission Regulations thereunder.

The license for Project No. 460 was issued effective June 3, 1974, for a period ending June 2, 1974. Since expiration of the original license, the project has been maintained and operated under annual licenses, the most recent of which will expire on June 2, 1977. In order to authorize the continued operation and maintenance of the project, pending Commission action on Licensee's application, it is appropriate and in the public interest to issue an annual license to the City of Tacoma.

Take notice that an annual license is issued to the City of Tacoma for the period June 3, 1977, to June 2, 1978, or until the issuance of a new license for the project, whichever comes first, for the continued operation and maintenance of the Lake Cushman Project No. 460 subject to the terms and conditions of the original license. Take further notice that if issuance of a new license does not take place on or before June 2, 1978, a new annual license will be issued each year thereafter, effective June 3 of each year, until such time as a new license is issued, without further notice being given by the Commission.

KENNETH F. PLUMB,
Secretary.

[FR Doc.77-16263 Filed 6-8-77;8:45 am]

[Docket No. CP77-405]

COLORADO INTERSTATE GAS CO. Application

JUNE 2, 1977.

Take notice that on May 23, 1977, Colorado Interstate Gas Company (CIG), P.O. Box 1087, Colorado Springs, Colorado 80944, filed in Docket No. CP77-405 an application pursuant to Section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the exchange of natural gas with Panhandle Eastern Pipe Line Company (Panhandle), all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Applicant proposes to exchange natural gas with Panhandle pursuant to a gas purchase and exchange agreement dated April 22, 1977, with Panhandle. Applicant

states that Panhandle would deliver volumes of gas from certain sources of supply it controls in Carbon County, Wyoming, to the proximate transmission system owned and operated by Western Transmission Corporation (Western), and that Panhandle would cause Western to deliver a thermally equivalent volume of gas (delivery volumes) to Applicant at an existing point of interconnection with Applicant's transmission facilities in Sweetwater County, Wyoming. Applicant further states that Panhandle anticipates an average daily delivery volume of 2,000 Mcf of natural gas in the first year of operation, and that this delivery volume represents the deliverability of three wells.

It is stated that Applicant has the option of purchasing up to 25 percent of these delivery volumes, and that Applicant would reimburse Panhandle for Panhandle's average gas purchase cost plus costs attributable to gathering, compression, dehydration, taxes, and a reasonable return on the related investment for such sales gas. Applicant would also reimburse Panhandle for Western's transportation charge attributable to sale gas, and Applicant would reimburse Panhandle, for the cost of service of qualified advance payments attributable to Applicant's purchase gas share, it is said. Applicant states that it would redeliver the remainder, less applicable fuel and unaccounted-for volumes (Exchange Gas) on a thermally equivalent basis to Panhandle from existing pipeline interconnection points located on Applicant's Southern System in Kansas and Oklahoma. It is stated that the fuel gas usage allowance is limited to a maximum 2 percent of the redelivery volumes. No new or expanded facilities are requested by Applicant to effectuate the proposed exchange, it is said. Applicant indicates that in the event it installs and places in operation additional facilities on its system for the injection of air or other inert gases, Panhandle would reimburse Applicant for the cost of acquisition and installation thereof to the extent such facilities are necessary for the injection of volumes of air or inerts equivalent to the volume by which Applicant is required, in order to achieve thermally equivalent balancing, to deliver to Panhandle redelivery volumes which volumetrically exceed the volumes of exchange gas received by Applicant.

It is stated that Panhandle would reimburse Applicant for transportation of the redelivery volumes at a rate to reflect Applicant's transmission system cost of service, including a reasonable rate of return on investment, but exclusive of the cost of service attributable to gathering and storage systems and exclusive of the cost of service attributable to gas used in the operation and maintenance of Applicant's transmission system. This rate is currently 16.43 cents per Mcf, it is said.

Any person desiring to be heard or to make any protest with reference to said application should on or before June 24, 1977, file with the Federal Power Commission.

Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 1.8 or 1.10) and the Regulations under the Natural Gas Act (18 CFR 157.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene in accordance with the Commission's Rules.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

KENNETH F. PLUMB,
Secretary.

[FR Doc.77-16277 Filed 6-8-77;8:45 am]

[Docket No. CP77-398]

COLUMBIA GAS TRANSMISSION CORP. Application

JUNE 2, 1977.

Take notice that on May 19, 1977, Columbia Gas Transmission Corporation (Applicant) 1700 MacCorkle Avenue SE., Charleston, West Virginia 25314, filed in Docket No. CP77-398 an application pursuant to Section 7 of the Natural Gas Act and Section 2.79 of the Commission's General Policy and Interpretations (18 CFR 2.79) for a certificate of public convenience and necessity authorizing the transportation for two years of up to 2,000 Mcf of natural gas per day for Anchor Hocking Corporation, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Applicant proposes to transport the volumes of gas for Anchor Hocking pursuant to the terms of a transportation agreement dated February 25, 1977, between the two parties which gas would be received by Applicant at an existing point of delivery by Applicant to Columbia Gas of Pennsylvania, Inc. (Columbia Pa.), a wholesale customer of Colum-

bia, at existing points of delivery in Fayette County, Pennsylvania.

Applicant states that the gas proposed to be transported is part of Anchor Hocking's gas supply presently being transported by Applicant from Gravel Bank, Warren Township, Washington County, Ohio, to Lancaster, Fairfield County, Ohio, under an existing certificated transportation arrangement, and that Anchor Hocking requests that a part of the gas it receives from Gas Transport at Gravel Bank, Ohio, be delivered to its plants in Connellsville, Pennsylvania. The volumes to be transported would vary from zero Mcf per day to a maximum of 1,850 Mcf per day, dependent upon the degree of curtailment imposed on Anchor Hocking's Connellsville plants by Columbia Pa., it is said.

It is stated that Gas Transport, a wholly owned subsidiary of Anchor Hocking, was founded for the sole purpose of purchasing natural gas for Anchor Hocking, its only customer. Pursuant to the terms of a gas sales contract between Gas Transport and Anchor Hocking and the various amendments thereto, the most recent being dated February 6, 1976, Anchor Hocking would pay Gas Transport for all gas delivered at the rate of \$1.80 per Mcf, and that the gas proposed to be transported would be used for Priority 2 uses, it is indicated.

It is indicated that the gas transported by Applicant is subject to diversion to Applicant in emergency periods when, in Applicant's sole judgment, such gas is required for the protection of Priority 1 requirements on its system. Applicant indicates that Anchor Hocking would pay to Applicant a transportation charge reflecting Applicant's average system-wide unit storage and transmission costs, exclusive of company-use and unaccounted-for gas, which is currently 22.21 cents per Mcf effective November 1, 1976. It is stated that Applicant would retain

for company-use and unaccounted for gas a percentage of the total volumes received for the account of Anchor Hocking, which percentage is currently 3.1 percent effective November 1, 1976, it is said.

It is stated that Anchor Hocking operates two manufacturing plants in Connellsville, Pennsylvania, Plant 5 manufactures glass containers and glass tableware and Plant 15 manufactures metal closures or caps for food jars. There is no feasible substitute for gaseous fuels in the operation of the feeders, lehrs, and glazers which are a part of the operation of Plant 5, and conversion to an alternate fuel has been made in all other steps of processing in Plant 5, it is said. It is stated that Plant 15 is totally dependent upon a gaseous fuel for its entire operation inasmuch as precise temperature controls are required and contamination cannot be tolerated in the manufacture of closures of caps for food jars.

Any person desiring to be heard or to make any protest with reference to said application should on or before June 20, 1977, file with the Federal Power Commission, Washington, D.C. 20426, a peti-

tion to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 1.8 or 1.10) and the Regulations under the Natural Gas Act (18 CFR 157.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene in accordance with the Commission's Rules.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by Sections 7 and 15 of the Natural Gas Act and the Commission's Rules of Practice and Procedure, a hearing will be held without further notice before the Commission on this application if no petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

KENNETH F. PLUMB,
Secretary.

[FR Doc.77-16276 Filed 6-8-77;8:45 am]

[Docket No. CP74-204]

**COLUMBIA GULF TRANSMISSION CO. AND
NATURAL GAS PIPELINE CO. OF AMERICA**
Amended Application

JUNE 2, 1977.

Take notice that on May 24, 1977, Columbia Gulf Transmission Company (Columbia Gulf), P.O. Box 683, Houston, Texas 77001, and Natural Gas Pipeline Company of America (Natural), 122 South Michigan Avenue, Chicago, Illinois 60603, filed in Docket No. CP74-204 a petition to amend the certificate issued March 3, 1977, in that docket to add a new delivery point, all as more fully set forth in the petition.

Columbia Gulf and Natural state that said certificate authorized a transportation and exchange arrangement under which Natural would make available to Columbia Gulf pipeline delivery capacity from its entitlement in the system of Stingray Pipeline Company (Stingray) to transport gas available to Columbia Gulf in the West Cameron area, offshore Louisiana, and Columbia Gulf would make available to Natural pipeline delivery capacity from its entitlement in the Blue Water Project which is jointly owned by Columbia Gulf and Tennessee Gas Pipeline Company.

Columbia Gulf and Natural now propose to add an additional delivery point

on Stingray at an underwater valve on Stingray's proposed pipeline recently authorized in CP76-96 in Block 594, West Cameron area, offshore Louisiana. Columbia Gas Transmission Corporation, Columbia Gulf's affiliate, has gas reserves located in Block 594, West Cameron, which Columbia Gulf desires to connect to Stingray as part of its entitlement.

Any person desiring to be heard or to make any protest with reference to said application, on or before June 24, 1977, should file with the Federal Power Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 1.8 or 1.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken, but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding, or to participate as a party in any hearing therein, must file a petition to intervene in accordance with the Commission's Rules.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by Sections 7 and 15 of the Natural Gas Act and the Commission's Rules of Practice and Procedure, a hearing will be held without further notice before the Commission on this application if no petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

KENNETH F. PLUMB,
Secretary.

[FR Doc.77-16270 Filed 6-8-77;8:45 am]

[Docket No. CP77-409]

**COLUMBIA GULF TRANSMISSION CO. AND
TEXAS EASTERN TRANSMISSION CORP.**
Application

JUNE 2, 1977.

Take notice that on May 24, 1977, Columbia Gulf Transmission Company (Columbia Gulf), P.O. Box 683, Houston, Texas 77001, and Texas Eastern Transmission Corporation (Texas Eastern), P.O. Box 2521, Houston, Texas 77001, filed in Docket No. CP77-409 an application for a certificate of public convenience and necessity authorizing the construction and operation of certain pipeline facilities offshore Louisiana.

Applicants state that in accordance with a suggestion made by the Commission in the Commission's order issued June 28, 1976, in CP75-359, arrangements

have been made to build a less costly pipeline to connect the reserves located in West Cameron Blocks 593/594, offshore Louisiana. Applicants propose to construct and operate approximately 1.4 miles of 12-inch pipeline and appurtenant facilities extending from an underwater water valve on Stingray Pipeline Company's proposed pipeline in West Cameron Block 594 to a producer platform in the West Cameron Block 593/594 Field. The total cost of the proposed facilities is estimated at \$2,872,000 and will be borne 50 percent by Columbia Gulf and 50 percent by Texas Eastern. The capacity of the proposed facilities will be shared in the same percentages.

Any person desiring to be heard or to make any protest with reference to said application, on or before June 24, 1977, should file with the Federal Power Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 1.8 or 1.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken, but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding, or to participate as a party in any hearing therein, must file a petition to intervene in accordance with the Commission's Rules.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by Sections 7 and 15 of the Natural Gas Act and the Commission's Rules of Practice and Procedure, a hearing will be held without further notice before the Commission on this application if no petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

KENNETH R. PLUMB,
Secretary.

[FR Doc. 77-16271 Filed 6-8-77; 8:45 am]

[Project No. 2783]

DEPARTMENT OF WATER RESOURCES,
STATE OF CALIFORNIA

Application for Preliminary Permit

JUNE 2, 1977.

Public notice is hereby given that an application for a preliminary permit was filed November 24, 1976, under the Federal Power Act (16 U.S.C. 791(a)-825(r)) by the Department of Water Resources, State of California (correspondence to: Mr. Ronald B. Robie, Director, Depart-

ment of Water Resources, P.O. Box 388, Sacramento, California 95814) for proposed Project No. 2783, to be known as Monticello Powerplant. The proposed project would be located on Putah Creek at the U.S. Bureau of Reclamation's existing Monticello Dam in Napa, Yolo, and Solano Counties, California. The proposed project may affect lands of the United States located within the Clear Lake-Cow Mountain area, Bureau of Land Management.

The proposed project would utilize the two existing penstocks at the dam and would consist of: a powerhouse at the downstream toe of the dam, containing two turbine-generator units with a total capacity of 15,000 kilowatts, and a transmission line approximately 1/4 of a mile long connecting with existing transmission lines.

Power generated at the proposed plant would be delivered to the transmission system of Pacific Gas and Electric Company for delivery to pumping plants of the State Water Project.

A competing application for preliminary permit (FPC No. 2780) for Monticello Power Plant was filed on October 20, 1976, by the Solano Irrigation District, California.

A preliminary permit does not authorize construction. A permit, if issued, gives the permittee, during the term of the permit, the right of priority of application for license while permittee undertakes the necessary studies and examinations to determine the engineering and economic feasibility of the proposed project, market for the power, and all other necessary information for inclusion in an application for license.

Any person desiring to be heard or to make protest with reference to said application should on or before August 8, 1977, file with the Federal Power Commission, Washington, D.C. 20426, petitions to intervene or protests in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 1.8 or 1.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to a proceeding. Persons wishing to become parties to a proceeding or to participate as a party in any hearing therein must file petitions to intervene in accordance with the Commission's Rules. The application is on file with the Commission and available for public inspection.

KENNETH F. PLUMB,
Secretary.

[FR Doc. 77-16267 Filed 6-8-77; 8:45 am]

[Docket No. RP72-6]

EL PASO NATURAL GAS CO.

Extension of Time

JUNE 2, 1977.

On May 26, 1977, the California Air Resources Board filed a motion to extend the time to July 5, 1977, for filing Briefs on Exceptions to the Initial Decision, is-

sued May 4, 1977, in the above-designated proceeding.

Upon consideration, motion is hereby given that the date for filing Briefs on Exceptions to the Initial Decisions is extended to and including June 17, 1977. Pursuant to § 1.31 of the Commission's Rules of Practice and Procedure, the time for filing Briefs Opposing Exceptions is extended to and including July 7, 1977.

KENNETH F. PLUMB,
Secretary.

[FR Doc. 77-16261 Filed 6-8-77; 8:45 am]

[Docket No. RP76-59]

EL PASO NATURAL GAS CO.

Order Approving Pipeline
Rate Settlement

JUNE 2, 1977.

On March 21, 1977, El Paso Natural Gas Company (El Paso) filed in the above captioned proceeding a proposed Stipulation and Agreement together with a motion requesting Commission approval thereof. The agreement, if approved, would resolve the rate design issue in the proceeding. All other issues in the proceeding are covered by a separate settlement agreement which is being approved by separate order.

This proceeding originated on January 30, 1976 when El Paso tendered for filing certain revised tariff sheets, seeking an increase of approximately \$50 million annually in revenues for jurisdictional natural gas sales and services. El Paso's proposed rate increase was suspended until August 1, 1976, and was set for hearing by Commission order issued February 27, 1976. The rate increase became effective subject to refund on August 1, 1976.

Following the conclusion of settlement discussion between El Paso, certain intervenors, and the Commission Staff the proposed rate design settlement agreement was filed March 21, 1977. Public notice of the proposed rate design settlement was issued March 23, 1977. Comments in support of the settlement were filed on April 5, 1977, by Arizona Public Service Company; on April 8, 1977, by the Commission staff, Pacific Gas and Electric Company, the People of the State of California and the Public Utilities Commission of the State of California, and Southwest Gas Corporation; and on April 11, 1977, by Tucson Gas and Electric Company, Southern Union Company, and San Diego Gas and Electric Company.

The proposed settlement specifies (1) that El Paso's east-of-California customers shall continue to receive service under the existing one-part, volumetric rate; (2) the rate stated in Rate Schedule G, which is applicable to service rendered to El Paso's California customers, shall be converted from the present two-part rate with a demand charge adjustment, to a one-part, volumetric rate, the present minimum bill provision of Rate Schedule G shall be retained; and (3) the rate differentials that exist between the various rate schedules and

zones shall be adjusted as shown on Appendix A of this order.¹

The settlement rate differentials shown in Appendix A shall become effective June 1, 1977, coincident with the effectiveness of the presently suspended rates in El Paso's latest rate increase filing in Docket No. RP77-18. The filed RP77-18 rate levels shall be adjusted to conform to the approved rate design so as to permit El Paso to recover its Docket No. RP77-18 jurisdictional cost of service.²

The settlement rate differentials in Appendix A, excluding the effect of the various surcharges for special services in effect from time to time as provided for in El Paso's tariff, shall remain unchanged during the collection period of the RP77-18 rates and shall be maintained by a uniform unit cents per Mcf increase in all rate schedules listed in the Appendix A table in any future El Paso general rate increase filing which becomes effective prior to January 1, 1980. However, any party other than El Paso shall have the right, in any El Paso general rate increase proceeding subsequent to RP77-18 or in any proceeding initiated under Section 5 of the Natural Gas Act to raise a rate design issue; provided, however, that any Commission decision in any such proceeding shall not become effective prior to January 1, 1980, or the date of the Commission's order, whichever is later. It is understood that El Paso may, if it so chooses, raise the issue of rate design or rate form at any time subsequent to January 1, 1980.

The settlement rate design generally reflects an allocation of the jurisdictional cost of service between zones on the basis of the United³ cost classification method and a combination method of allocating demand and commodity transmission costs between zones giving weight of 33 1/3% to mileage and 66 2/3% to system-wide peak and annual usage.

The settlement further provides that neither the settlement nor any provision thereof shall become effective unless:

(1) The Commission shall have entered an order approving this Stipulation and Agreement, without condition or modification, and such order shall have become final and no longer subject to judicial review; and

(2) Such Commission order approving this Stipulation and Agreement shall have waived compliance by El Paso with the requirements of the Commission's Rules and Regulations, including but not limited to Part 154, as necessary to carry out the provisions of this Stipulation and Agreement.

¹ Appendix A was compiled by the Commission Staff to reflect the actual impact of the rate design settlement on El Paso's rates. Appendix B illustrates the calculations which underlie the settlement rate differentials.

² Revised tariff sheets in RP77-18 incorporating the settlement rate design were filed by El Paso on May 2, 1977 to be effective June 1, 1977.

³ United Gas Pipeline Company, Opinion No. 671, 50 FPC 1348 (1973), *Reh. denied*, 51 FPC 1014 (1974), *aff'd sub nom.*, Consolidated Gas.

Based upon a review of the record in this proceeding including the settlement agreement itself and the pleadings, evidence, and comments submitted in support thereof, the Commission finds that the proposed rate design settlement agreement represents a reasonable resolution of the issues in this proceeding in the public interest, and that the agreement should be accordingly approved and adopted, as hereinafter ordered.

The Commission orders: (A) The Stipulation and Agreement filed on March 21, 1977, is incorporated by reference herein and is approved and adopted.

(B) This order is without prejudice to any findings or orders which have been made or which may hereafter be made by the Commission, and is without prejudice to any claims or contentions which may be made by the Commission, the staff or any other party or person affected by this order in any proceeding now pending or hereinafter instituted by or against El Paso or any other person or party.

(C) The Secretary shall cause prompt publication of this order in the FEDERAL REGISTER.

By the Commission.

KENNETH F. PLUMB,
Secretary.

APPENDIX A

(1) State (rate schedule)	(2) Cost of service settlement dated Nov. 4, 1976 (RP76-59) filed rates less 2.53 cents-unit refund amount in cents)	(3) Existing differentials between Texas and other zones	(4) RP76-59 rate design settlement rates in cents	(5) Proposed differentials between Texas and other zones
Texas (A-3, B-2, D-2).....	78.07	0	72.37	0
New Mexico (A-2, B-3, D-3).....	74.82	1.75	72.52	1.5
Arizona (A-1, B-1, D-1).....	75.88	2.81	74.57	2.28
A-1-X.....	75.35	2.28	74.09	1.72
California (G).....	72.70	(.37)	72.92	.55

APPENDIX B.—El Paso Natural Gas Co., Docket No. RP76-59; allocation of jurisdictional costs to zones—Basis: 33 1/3 pct weighting for mileage, united classification

Line No.	Description (a)	Transmission costs		
		Demand (b)	Commodity (c)	Total (d)
1	Settlement jurisdictional transmission cost of service (united classification).....	\$36,743,901	\$127,774,695	\$164,518,596
	Allocation percentages —33 1/3 pct weighting for distance ¹ :			
2	Texas.....	3,0604	1,5212	
3	New Mexico.....	1,9400	1,0161	
4	Arizona.....	15,0995	9,6013	
5	A-1-X.....	2,6758	1,5858	
6	California.....	77,2243	80,2716	
7	Total.....	100,0000	100,0000	
	Allocated Transmission Costs:			
8	Texas.....	\$1,124,510	\$1,943,709	\$3,068,219
9	New Mexico.....	712,832	1,598,319	2,311,151
10	Arizona.....	5,548,145	12,268,032	17,816,177
11	A-1-X.....	983,193	2,031,362	3,014,555
12	California.....	28,375,221	110,233,273	138,608,494
	Total.....	36,743,901	127,774,695	164,518,596

¹ Derivation of allocation percentages —33 1/3 pct weighting for distance:

Line No.	1,000 ft ² (e)	1,000 ft ³ miles (f)	Percentages		
			1,000 ft ² (a)	1,000 ft ³ miles (b)	33 1/3 pct distance 2(a)+(b) (i)
			(g)	(h)	
	Demand:				
14	Texas.....	123,246	25,555	3,9114	3,0604
15	New Mexico.....	75,154	18,550	2,4169	1,9400
16	Arizona.....	491,080	285,776	15,0833	15,0995
17	A-1-X.....	84,090	50,605	2,6687	2,6758
18	California.....	2,376,356	1,520,728	75,4177	77,2243
19	Total.....	3,150,926	1,881,214	100,0000	100,0000
	Commodity:				
20	Texas.....	19,677,092	4,004,608	1,9565	1,5212
21	New Mexico.....	12,777,512	3,122,165	1,2705	1,0161
22	Arizona.....	100,916,545	53,775,922	10,0842	9,6013
23	A-1-X.....	16,079,348	9,676,552	1,5988	1,5858
24	California.....	836,271,224	545,018,215	85,1400	80,2716
25	Total.....	1,005,721,721	615,567,482	100,0000	100,0000

[FR Doc. 77-16279 Filed 6-8-77; 8:45 am]

[Project No. 176]

ESCONDIDO MUTUAL WATER CO.**Issuance of Annual License(s)**

JUNE 3, 1977.

On April 1, 1971, Escondido Mutual Water Company, Licensee for Project No. 176, located partially along the San Luis Rey River and Escondido Creek in the vicinity of the City of Escondido in San Diego County, California, filed an application for a new license pursuant to the Federal Power Act and Commission Regulations thereunder.

The license for Project No. 176 was issued effective in 1924 for a period ending June 24, 1974. Since expiration of the original license, the project has been maintained and operated under annual licenses, the most recent of which will expire on June 24, 1977. In order to authorize the continued operation and maintenance of the project, pending Commission action on Licensee's application, it is appropriate and in the public interest to issue an annual license to the Escondido Mutual Water Company.

Take notice that an annual license is issued to the Escondido Mutual Water Company for the period June 25, 1977, to June 24, 1978, or until Federal takeover, or until the issuance of a new license for the project, whichever comes first, for the continued operation and maintenance of Project No. 176, subject to the terms and conditions of its original license. Take further notice that if Federal takeover or issuance of a new license does not take place on or before June 24, 1978, a new annual license will be issued each year thereafter, effective June 25 of each year, until such time as Federal takeover takes place or a new license is issued, without further notice being given by the Commission.

KENNETH F. PLUMB,
Secretary.

[FR Doc. 77-16288 Filed 6-8-77; 8:45 am]

[Docket No. ER77-356]

FLORIDA POWER & LIGHT CO.**Order Accepting for Filing and Suspending Proposed Rates and Services for Interchange Service, and Consolidating Proceedings**

JUNE 1, 1977.

On May 3, 1977, Florida Power and Light Company (FP&L) tendered for filing a contract for interchange service between FP&L and the city of Homestead, Florida (Homestead), dated May 1, 1974, and supplemental agreement number one to the contract dated April 19, 1977. Notice of the filing was issued May 16, 1977, with protests or petitions to intervene due on or before May 25, 1977. No protests or petitions have been filed.

The submittal provides for the following exchange of services between the parties: (1) emergency interchange service; (2) scheduled interchange service (maintenance service); (3) economy energy interchange service; (4) firm interchange service; and (5) secondary interchange service (surplus). The energy charge for emergency and scheduled

energy service provided from steam generating plants (diesel generating plants where the City is the seller) will be based on the sum of (1) the Seller's replacement fuel oil costs at those plants during the month of the transaction, (2) the seller's average steam production O&M expense (excluding fuel) for the second month preceding the transaction and (3) adders of 10% and 1 mill/kWh.

FP&L indicated in a letter accompanying its submittal that the proposed agreement with Homestead is being filed as an initial rate subject to Section 35.12 of the Commission's Regulations. However, since Homestead is presently recipient of partial requirements service from FP&L, FP&L's submittal must be considered a change in service subject to Section 205 of the Federal Power Act and Section 35.13 of the Commission's regulations. Because the rates and services are similar to those involving FP&L in other pending dockets, the Commission will not require additional supporting data from the Company.

Our review indicates that the proposed rates have not been shown to be just and reasonable and may be unjust unreasonable, unduly discriminatory, preferential, or otherwise unlawful. FP&L has requested that the agreement be made effective upon completion by Homestead of the City-owned substation at the point of interchange. Therefore, the Commission will accept the submittal for filing and suspend the rates and services for one day from the effective date (the date of substation completion), after which the rates and services will go into effect.

The interchange agreement filed in this proceeding is similar to FP&L's interchange agreements filed in other proceedings before the Commission, Docket Nos. E-8769, E-8770, E-9119, ER77-216, ER77-218, ER77-219.¹ The proposed agreements in these dockets became effective subject to refund and the dockets were consolidated by Commission Order issued December 8, 1975. The Commission finds it appropriate to consolidate this docket (ER77-356) with Docket Nos. E-8769, *et al.*

The Commission finds: (1) Good cause exists to accept for filing the proposed rates and services and to suspend the use thereof for one day from the date of completion of the substation at the point of interchange, after which they may become effective subject to refund.

(2) Good cause exists to consolidate this docket with Docket Nos. E-8769, E-8770, E-9119, ER77-216, ER77-218, and ER77-219.

The Commission orders: (A) FP&L's proposed rates and services are hereby accepted for filing and suspended for one day from the date that the substation at the point of interchange is completed, when they may become effective subject to refund.

¹ It is identical to the interchange service agreement between FP&L and Fort Pierce filed in Docket No. E-8769.

(B) The proceeding in this Docket No. ER77-356 is hereby consolidated with proceedings in Docket Nos. E-8769, E-8770, E-9119, ER-7-216, ER77-218, and ER77-219, for hearing and decision.

(C) The Secretary shall cause the prompt publication of this order in the FEDERAL REGISTER.

By the Commission.

KENNETH F. PLUMB,
Secretary.

[FR Doc. 77-16289 Filed 6-8-77; 8:45 am]

[Docket No. ER77-389]

**FLORIDA POWER & LIGHT CO.
Cancellation**

JUNE 3, 1977.

Take notice that Florida Power & Light Company (FP&L) on May 20, 1977, tendered for filing a letter cancelling the wholesale service provided to the Utilities Commission of the City of New Smyrna, Florida from the Substation at 16th Street and Indian Palm Drive, Edgewater, Florida. FP&L indicates that service formerly provided at this point of delivery was transferred to a newly established point of delivery at the Smyrna Substation which became operational on April 13, 1977 in connection with the commencement of interchange service to the City of New Smyrna on that date.

FP&L requests waiver of the Commission's notice requirements to allow Exhibit A of FP&L's Electric Tariff, Original Volume No. 1, which is applicable to the Edgewater, Florida Substation service, to be canceled effective April 13, 1977, the date at which service at the Edgewater, Florida Substation ceased.

Any person desiring to be heard or to protest said filing should file a petition to intervene or protest with the Federal Power Commission, 825 North Capitol Street, NE., Washington, D.C. 20426, in accordance with §§ 1.8 and 1.10 of the Commission's rules of practice and procedure (18 CFR 1.8, 1.10). All such petitions or protests should be filed on or before June 14, 1977. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a petition to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

KENNETH F. PLUMB,
Secretary.

[FR Doc. 77-16260 Filed 6-8-77; 8:45 am]

[Docket No. ER77-384]

GEORGIA POWER CO.**Filing of Revised Tariff Sheet**

JUNE 2, 1977.

Take notice that Georgia Power Company (Georgia Power) on May 19, 1977, tendered for filing First Revised Sheet No. 3 to its FPC Electric Tariff, Original Volume No. 3.

Georgia Power states that the revision amends the Index of Purchasers under

its transmission service tariff to reflect that the Municipal Electric Authority of Georgia (MEAG) began taking service thereunder on February 7, 1977. Georgia Power also indicates that the filing also contains an executed Integrated Transmission Service Agreement with MEAG for transmission service, effective February 7, 1977.

Georgia Power states that it served copies of the filing on all of its jurisdictional customers.

Any person desiring to be heard or to protest said application should file a Petition to Intervene or Protest with the Federal Power Commission, 825 North Capitol Street, NE., Washington, D.C. 20426, in accordance with Sections 1.8 and 1.10 of the Commission's Rules of Practice and Procedure (18 CFR 1.8, 1.10). All such petitions or protests should be filed on or before June 13, 1977. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a Petition to Intervene. Copies of this application are on file with the Commission and are available for public inspection.

KENNETH F. PLUMS,
Secretary.

[FR Doc.77-16290 Filed 6-8-77; 8:45 am]

[Docket No. RI77-84]

HIGHLAND RESOURCES, INC.

Petition for Special Relief

JUNE 2, 1977.

Take notice that on May 12, 1977, Highland Resources, Inc. (Highland), 800 San Jacinto Bldg., Houston, Texas 77002 filed a petition for special relief pursuant to Section 1.7(b) of the Commission's Rules of Practice and Procedure and Sections 2.76 and 2.56a(g) of the Commission's Statements of General Policy and Interpretations for sales of natural gas from its 4% interest in production from Blocks 290 and 291, Ship Shoal Area of Offshore Gulf of Mexico, to Michigan Wisconsin Pipe Line Company (Mich-Wis).

Highland seeks permission to collect an initial rate equal to the National Rate for wells commenced on or after January 1, 1975, plus 4.5 cents per Mcf at 15.025 psia for gathering the gas via a 20-mile long, 8-inch gathering line running between Blocks 290 and 291 and its platform located in Block 207, Ship Shoal Area. Highland states its January 26, 1977, base contract with Mich-Wis, designated as Highland's FPC Gas Rate Schedule No. 14, gives it the contractual authority to collect the 4.5 cent gathering charge sought. Highland was granted a temporary certificate to make sales of the subject gas to Mich-Wis in Docket No. CI77-261 by letter order dated March 25, 1977, which also denied Highland's request for authorization to collect the 4.5 cent gathering allowance without prejudice to the submittal of a petition for special relief.

Any person desiring to be heard or to make any protest with reference to said petition should on or before June 24, 1977, file with the Federal Power Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 1.8 or 1.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any party wishing to become a party to a proceeding, or to participate as a party in any hearing therein, must file a petition to intervene in accordance with the Commission Rules.

KENNETH F. PLUMS,
Secretary.

[FR Doc.77-16274 Filed 6-8-77; 8:45 am]

[Docket No. E-7740]

INDIANA AND MICHIGAN ELECTRIC CO.

Order Adopting Settlement Agreements

JUNE 1, 1977.

On January 14, 1977, Indiana and Michigan Electric Company, (I&ME) filed "Motion of Indiana and Michigan Electric Company for Approval of a Negotiated Settlement of Rate Case and for Approval of an Offer of Settlement." Attached to the Motion was a separate document entitled Agreement of Settlement and Compromise. This order approves the proposed settlement.

The proposed settlement agreement, filed on January 14, 1977, effects a "dollar settlement" between I&ME and the Indiana and Michigan Municipal Distributors Association, (IMMDA), an ad hoc group consisting of 12 of the 16 municipalities¹ affected by the filing by I&ME in the above entitled docket.

The proposed settlement covers only a locked-in period, by virtue of a filing by I&ME in Docket No. ER76-716 of further increased rates to I&ME's municipal customers. The superseding rates filed in ER76-716 became effective, subject to refund, on July 26, 1976. The parties are not, at this time, proposing settlement of any issues in the superseding docket.

The proposed settlement agreement between I&ME and IMMDA applies to all of the municipalities except Anderson, Auburn, Fort Wayne and Richmond, Indiana. Of these four municipalities, Anderson and Auburn, Indiana had *Sierra Pacific-Mobile* protection from the filed WS Tariff Rate increase for part of the locked-in period applicable to Docket No. E-7740, and the City of Richmond, Indiana had such protection for the entire locked-in period.

By filing dated February 8, 1977, I&ME filed a unilateral offer of Settlement for three of the four municipalities, Fort Wayne, Anderson, and Auburn, Indiana.

¹ The Cities of Anderson, Auburn, Avilla, Bluffton, Columbia City, Fort Wayne, Frankton, Garrett, Gas City, Mishawaka, New Castle, and Warren, Indiana, Niles, South Haven and Sturgis, Michigan.

On June 13, 1972, I&ME submitted for filing in Docket No. E-7740 changes in rates for electric service to its resale customers, including sixteen municipalities.

By orders issued August 11, and October 6, 1972, the Commission accepted I&ME's filing and suspended it for five months to become effective on January 13, 1973, subject to refund. The Commission in its October 6, 1972 Order denied claims by two of the affected Municipalities, Richmond and Anderson, that the proposed increase to them was contractually impermissible under *Sierra-Mobile*.

Richmond and Anderson subsequently appealed that decision to the United States Court of Appeals for the D.C. Circuit. On May 23, 1973, the Court of Appeals upheld Richmond and Anderson's claims to *Sierra-Mobile* protection in *Richmond Power & Light vs. F.P.C.* 481 F.2d 490 (1973).

Subsequently, on August 31, 1973, Auburn filed a motion with the Commission requesting rejection of the June 13, 1972 filing as it pertained to Auburn in light of the Court of Appeals' decision in Richmond, supra. By Order issued September 28, 1973, the Commission rejected the June 13 filing as it pertained to Auburn, and ordered I&ME to refund incremental amounts collected since January 13, 1972, including interest at 7 percent per annum.

Hearings on the proposed increase to the remaining municipalities were held January-April, 1974, with the briefing schedule concluded by November 4, 1974.

On December 31, 1975, I&ME submitted for filing in Docket No. ER76-428 a revised fuel clause for the Tariff WS under which the municipalities are served, in purported compliance with Commission Order No. 517. By letter dated January 28, 1976, the Secretary advised I&ME that its proposed submittals were deficient. The submittal was made deficient because I&ME had not supplied revenue comparisons under the prior and proposed fuel adjustment clauses for the twelve month periods immediately preceding and succeeding the proposed effective dates. This filing remains currently incomplete, but its purpose is now mooted by the proposed settlement.

On August 19, 1976, the Presiding Administrative Law Judge issued an Initial Decision in this proceeding which generally adopted the staff position on the cost of service issues. Briefing with respect to exceptions was completed on January 10, 1977, and the proceeding is therefore ripe for decision on the merits.

Subsequent to issuance of the Initial Decision, I&ME initiated informal settlement discussions with IMMDA. These discussions culminated in the filed settlement agreement dated December 31, 1976. The parties adopted the Staff's filed cost of service the Presiding Judge's findings as the bases for their discussions. The final result reflects certain minor changes thereto.

The proposed settlement agreement filed by I&ME on January 14, 1977, pro-

vides for the following: (1) All actions by the parties in proceedings now pending before the Commission and the Court of Appeals resulting from the June 13, 1972 filing by I&ME be terminated; (2) Refunds of 39.40 percent of the actual bill rendered to the IMMIDA members during the locked-in period with interest on refunds to be computed at 7 percent for the period ending October 9, 1974 and 9 percent thereafter; (3) A clause providing that should any other municipal customer in Docket E-7740 receive terms more favorable than the terms here agreed to, those terms shall be applied to IMMIDA members.

On February 9, 1977, notice of the proposed settlement agreement was issued requiring responses on or before February 22, 1977. IMMIDA responded to I&ME's offer of settlement indicating its support.

On January 31, 1977, Richmond filed a "Limited Objection to Motion for Approval of Settlement." The City of Richmond, Indiana was not a party to the January 14, 1977 Agreement, but objected to the failure of the settlement to address the minimum billing demand provisions (Ratchet) contained in the Company's Tariff WS, which covers service to municipals. On May 10, 1977, I&ME filed a motion with the Commission requesting action on the negotiated settlement agreement. On May 20, 1977, RP&L filed an answer to the motion requesting action basically restating the objections set forth in the January 31, 1977 "Limited Objections." Richmond's concern apparently arises out of the fact that I&ME has proposed to place Richmond on Tariff Ws as of January 1, 1977, and the City of Richmond believes that it will be adversely affected by the imposition of the 60 percent Ratchet as contained in the tariff. However, as previously noted, the settlement agreement is a "dollar settlement" for a locked-in period which terminates prior to Richmond's being placed upon Tariff WS. Inasmuch as rate making principles are subject to the hearing set by the Commission in Docket No. ER76-716 (the superseding effective rate) it would appear that adequate recourse has been provided to hear the merits of Richmond's arguments within the superseding docket and, therefore, it is unnecessary to consider in this docket.

On February 9, 1977, I&ME filed with the Commission an Offer of Settlement with respect to Anderson, Auburn, and Fort Wayne, Indiana, proposing a settlement with these three Cities on terms comparable to those agreed to by IMMIDA. Notice of the offer was issued on February 17, 1977, and on March 7, 1977, with responses due on or before March 24, 1977. On February 22, 1977, the Cities of Anderson and Auburn filed comments indicating that they accepted the proposed offer of settlement conditioned on such acceptance not affecting in any way the status of any other FPC docket in which they are involved with I&ME. Fort Wayne, Indiana filed no comments. Staff filed comments in support of the settlement.

In addition, I&ME has requested that the Commission waive any requirements for the filing of a new rate schedule reflecting the settlement agreement as it applies to the IMMIDA offer of settlement of January 14, 1977 as well as the offer of settlement for the Cities of Anderson, Auburn, and Fort Wayne, Indiana filed February 9, 1977, inasmuch as the settlement is merely reflective of refunds for the locked-in period.

Based upon our review of the record in these proceedings, including the settlement agreements themselves, the filings, documents and pleadings submitted, we conclude that the settlement agreements represent a reasonable resolution of the issues in the proceeding in the public interest, and that accordingly, the settlement agreements of January 14, 1977, and February 9, 1977, should be approved.

The Commission finds: (1) The settlement agreement filed by I&ME as it applies to IMMIDA should be approved and made effective, as hereinafter ordered.

(2) The settlement agreement filed by I&ME as it applies to the Cities of Anderson, Auburn, and Fort Wayne, Indiana should be approved and made effective as hereinafter ordered.

The Commission orders: (A) The negotiated settlement agreement filed by I&ME in this docket on January 14, 1977, is hereby approved and made effective.

(B) The unilateral offer of settlement filed by I&ME in this docket February 9, 1977, for service to Fort Wayne, Auburn, and Anderson, Indiana is hereby approved and made effective.

(C) In accordance with the terms of each of the settlement agreements referred to in Paragraphs (A) and (B), I&ME is hereby directed to refund the difference in revenues collected under its prior rates and those collected as a result of the June 13, 1972 filing in Docket No. E-7740 according to the terms of the proposed settlement agreements and at agreed upon interest rates of 7 percent per annum for the period ending October 9, 1974, and 9 percent per annum thereafter.

(D) The Federal Power Commission hereby waives any requirement for the filing of a new rate schedule by I&ME involving the period of January 13, 1973 to July 26, 1976, as it applies to the customers affected by the settlement agreements herein approved.

(E) I&ME is hereby directed to file a compliance report within thirty days of the date of this Order which shows monthly billing determinants and revenues under the Company's prior rates and those collected as a result of its June 13, 1972 filing in Docket No. E-7740 for the entire period during which the latter rates were being collected, subject to refund. The report shall show the monthly rate refunded and the monthly interest computation together with a summary of such information for the total refund period. A copy of such report shall be furnished to each State Commission within whose jurisdiction the wholesale customers distribute and sell electric energy at retail.

(F) The City of Richmond, Indiana's limited objection to the proposed settlement agreement of January 14, 1977, is hereby denied.

(G) This Order is without prejudice to any finding or Order which may have been made or which will hereafter be made by the Commission, and is without prejudice to any claim or contentions which may be made by the Commission, the Staff, or any party or persons affected by the Order against I&ME or any person or Party.

(H) The Secretary of the Federal Power Commission shall cause prompt publication of this Order in the FEDERAL REGISTER.

By the Commission.

KENNETH F. PLUMB,
Secretary.

[FR Doc. 77-16255 Filed 6-8-77; 8:45 am]

[Docket No. ER77-388]

LAKE SUPERIOR DISTRICT POWER CO. Tariff Change

JUNE 3, 1977.

Take notice that Lake Superior District Power Company (LSDP) on May 16, 1977, tendered for filing proposed changes in its contracts for service to the Medford Electric Utility and the City of Wakefield.

Lake Superior District Power Company asserts that the filing is in accordance with Part 35 of the Commission's Regulations. LSDP states that the contracts filed will supersede the contracts presently on file with this Commission.

LSDP indicates that the proposed changes would increase revenues from these jurisdictional sales by \$576,058 based on the calendar year 1976. LSDP requests an effective date for the proposed increase of July 1, 1977.

Reasons stated by LSDP for the increase are (1) to recover a substantial portion of the existing revenue deficiency resulting from significantly higher costs resulting since the present contracts became effective in mid 1968, (2) to revise its fuel adjustment clause to reflect current Commission policy.

LSDP states that copies of the filing were served upon the affected public utilities jurisdictional customers, the Public Service Commission of Wisconsin and the Michigan Public Service Commission.

Any person desiring to be heard or to protest said application should file a petition to intervene or protest with the Federal Power Commission, 825 North Capitol Street, N.E., Washington, D.C. 20426, in accordance with §§ 1.8 and 1.10 of the Commission's rules of practice and procedure (18 CFR 1.8, 1.10). All such petitions or protests should be filed on or before June 19, 1977. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a petition to intervene. Copies of this appli-

cation are on file with the Commission and are available for public inspection.

KENNETH F. PLUMB,
Secretary.

[FR Doc. 77-16291 Filed 6-8-77; 8:45 am]

[Docket No. ER77-393]

**MISSISSIPPI POWER & LIGHT CO.
Agreement for Purchase of Power**

JUNE 2, 1977.

Take notice that on May 23, 1977, Mississippi Power & Light Company (Mississippi) tendered for filing an Agreement for Purchase of Power. Mississippi indicates that this Agreement provides for the sale of electric energy by Mississippi to Twin County Electric Power Association (Twin County), to be delivered to a point near Greenville, Mississippi.

Mississippi states that its Rate Schedule REA-13 (Revised) incorporated in the Agreement was heretofore filed with the Commission on January 10, 1975, as Company's service rate schedule applicable to all existing and new points of delivery. Mississippi further states that by order of the Commission on February 7, 1975, (Docket No. E-9058), Schedule REA-13 (Revised) became effective December 7, 1974, as affirmed by order of the Commission dated September 8, 1976. Subsequent to December 1, 1976, Mississippi applies, subject to refund, Rate Schedule REA-14 (Revised), the currently effective tariff for service to Electric Power Associations, filed on October 26, 1976, in compliance with the Commission's order in Docket No. ER76-830.

Mississippi states that no new facilities will be required to supply service under the proposed Rate Schedule and requests that the executed Agreements be made effective July 1, 1977.

Any person desiring to be heard or to protest said filing should file a petition to intervene or protest with the Federal Power Commission, 825 North Capitol Street, N.E., Washington, D.C. 20426, in accordance with Sections 1.8 and 1.10 of the Commission's Rules of Practice and Procedure (18 CFR 1.8, 1.10). All such petitions or protests should be filed on or before June 15, 1977. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceedings. Any person wishing to become a party must file a petition to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

KENNETH F. PLUMB,
Secretary.

[FR Doc. 77-16292 Filed 6-8-77; 8:45 am]

[Docket No. RM77-13]

**NATIONAL RATES FOR JURISDICTIONAL
SALES OF NATURAL GAS FROM WELLS
COMMENCED ON OR AFTER JANU-
ARY 1, 1977, FOR THE PERIOD JANU-
ARY 1, 1977 TO DECEMBER 31, 1978**

**Addition of Participants to National
Rate Proceeding**

The Commission is permitting The Public Utilities Commission of the State of Colorado and the Office of Consumer Advocate of the Department of Justice of Pennsylvania to participate in the national rate proceeding docketed as RM77-13.

EFFECTIVE DATE: June 1, 1977.

ADDRESS: N/A.

**FOR FURTHER INFORMATION CON-
TACT:**

Kenneth F. Plumb, Secretary, (202)
275-4166.

SUPPLEMENTARY INFORMATION: On May 12, 1977, and May 13, 1977, respectively, The Public Utilities Commission of the State of Colorado and the Office of Consumer Advocate of the Department of Justice of Pennsylvania filed late notices of intent to participate in the national rate proceeding, instituted by Order issued March 1, 1977, and published March 8, 1977 (42 FR 13048), in the above-designated docket. The March 1, 1977 order required persons desiring to participate in this proceeding to file a notice of intent to participate on or before April 1, 1977.

On May 12, 1977, and May 13, 1977, respectively, The Public Utilities Commission of the State of Colorado and the Office of Consumer Advocate of the Department of Justice of Pennsylvania filed late notices of intent to participate in the national rate proceeding, instituted by Order issued March 1, 1977, and published March 8, 1977 (42 FR 13048), in the above-designated docket.

Upon consideration, notice is hereby given that The Public Utilities Commission of the State of Colorado and the Office of Consumer Advocate of the Department of Justice of Pennsylvania are permitted to participate in the above indicated national rate proceeding.

KENNETH F. PLUMB,
Secretary.

[FR Doc. 77-16257 Filed 6-8-77; 8:45 am]

[Docket No. ER77-348]

MISSOURI UTILITIES CO.

**Order Accepting For Filing and Suspending
Proposed Rate Schedule, Consolidating
Proceeding, and Establishing Proce-
dures**

JUNE 2, 1977.

On April 29, 1977, Missouri Utilities Company (MUCo) submitted for filing

a proposed increase in its rate¹ for service to California, Missouri in its Central Division. The proposed rate increase to the City for the 12 months ending May 31, 1977, is \$87,904 (22.4%). MUCo requested that the increase become effective June 1, 1977.

The proposed rate consists of a demand charge of \$2.50/kW of billing demand plus an energy charge of 1.384¢ kWh. The rate contains a transmission charge which is the greater of (a) 43¢/kW or (b) 0.169¢ per kWh delivered. There is a local facilities charge of 1.25% per month for those facilities required solely to serve the purchaser. The proposed rate has a fuel clause which conforms with Section 35.14 of the Commission's Regulations.

The billing demand is the maximum demand in the current month, subject to a 80% ratchet during the previous 11 months. The transmission charge is \$33,086 for the 12 months ending May 1977. The local facilities charge to California for 34.5kV equipment is \$462.88 per month.

Notice of the filing was issued on May 12, 1977, with responses due on or before May 25, 1977.

MUCo states that it terminated its current contract effective as of December 20, 1976, and has been rendering temporary service at the rate specified in the cancelled agreement. The proposed rate consists of a signed agreement dated April 18, 1977, with a stated effective date of May 23, 1977, and appendices containing the proposed rate, delivery points and investment in specific facilities.

MUCo's revenue comparison indicates an increase to California of \$87,904 or 22.4% for the 12 months prior to June 1, 1977. Supporting tables indicate that the "present" rate differs substantially in level from demand and energy charge of the rate contained in the Commission's files, raising the possibility of either an error in preparing the revenue comparison that might seriously understate the effect of the proposed rate increase, or alternatively, that billing has been based on a previous unfilled rate.

Commission review of MUCo's proposed rate increase indicates that it has not been shown to be just and reasonable and may be unjust, unreasonable, unduly discriminatory, preferential or otherwise unlawful. The Commission shall therefore accept the proposed rate schedule for filing and suspend its effectiveness for three months, to become effective on September 2, 1977, subject to refund, pending the outcome of a hearing and decision thereon.

MUCo has recently filed for a rate increase to its customers in its Southeast District in Docket No. ER77-354. The Commission believes that it is proper

¹ Designation: Missouri Utilities Company, Rate Schedule FPC No. 9 (supersedes FPC No. 8 as supplemented).

and in the public interest to order consolidation of the proceedings in Docket No. ER77-348 with those in Docket No. ER77-354, to consider whether MUCo's rate should be based on company-wide costs rather than the cost of each District as proposed by MUCo.

"The Commission finds: (1) Good cause exists to accept for filing and suspend MUCo's proposed rate increase for three months, to become effective September 2, 1977, subject to refund.

(2) It is necessary and in the public interest that the Commission order a hearing concerning the lawfulness of MUCo's proposed rate increase.

(3) Good cause exists to consolidate the proceeding in this Docket with the proceeding in Docket No. ER77-354 for purposes of a hearing and decision thereon.

The Commission orders: (A) Pursuant to the authority of the Federal Power Act, particularly Sections 205 and 206 thereof, and the Commission's Rules and Regulations, a hearing shall be held concerning the justness and reasonableness of MUCo's proposed rate increase.

(B) Pending a hearing and a final decision thereon, MUCo's proposed rate increase is hereby accepted for filing and suspended for three months, to become effective September 2, 1977, subject to refund.

(C) Docket No. ER77-348 is hereby consolidated with Docket No. ER77-354 for purposes of a hearing and decision thereon.

(D) The Secretary shall cause the prompt publication of this order to be made in the Federal Register.

By the Commission.

KENNETH P. PLUMB,
Secretary.

[FR Doc. 77-16264 Filed 6-8-77; 8:45 a.m.]

[Docket No. ER77-354]

MISSOURI UTILITIES CO.

Order Accepting in Part and Rejecting in Part Proposed Rate Schedules, Suspending Proposed Rate Schedules and Establishing Procedures

JUNE 1, 1977.

On April 29, 1977, Missouri Utilities Company (MUCo) submitted a proposed increase in its SFR-1 rate for its Southeast Missouri Division to apply to the Cities of Jackson, Malden, and Kennett, Missouri. The proposed increase in rates to the municipalities for the 12 months ending May 31, 1977, is \$417,785 (25.6%) which is distributed as follows: City of Jackson, 181,860 (37.0%); City of Malden, \$167,066 (38.9%); and City of Kennett, \$68,859 (11.1%). MUCo requested that the increase become effective June 1, 1977.

The present rates charged to Jackson and Malden are contained in negotiated contracts dated March 2, 1970, and October 1, 1969, respectively. The contracts are for five year periods and are sub-

ject to termination by one-year notice prior to the initial or renewal term. Both contracts have been renewed; Jackson and Malden now have terms that expire March 2, 1980, and October 1, 1979, respectively. Kennett is the only wholesale customer that is presently served under MUCo's Rate SFR-1 which is the company's FPC Electric Tariff.

The monthly rates under revised Rate SFR-1 are as follows:

Demand Charge—\$3.420/kW for Annual kW demand and \$4.199/kW for temporary kW demand.

Energy Charge—1.125¢ per kWh.

Transmission Charge—The higher of (a) 41¢/kW or (b) 0.142¢/kWh.

Local Facilities Charge—1.25% of the cost of local facilities required solely to serve purchaser.

The revised SFR-1 rate primary billing demand (the Annual Kilowatt demand) is the customer's highest 30-minute demand coincident with MUCo's system annual peak for the preceding 12-month period which creates recurring monthly demand cost liability on the Company's purchased power requirement. A further demand charge is added (temporary demand) which is the highest 30-minute demand established on Missouri's monthly system peak, the occurrence of which creates a current monthly demand cost liability on MUCo's purchased power. The company maintains that the temporary charges are necessary for MUCo recovery of any actual purchased demand costs imposed during specific months when its system peak exceeds 80% of its previous system annual peak. The 80% is the demand ratchet provision contained in Union Electric Company's W-2 Tariff rate and Rate Schedule FPC No. 88 under which MUCo purchases substantially all of its requirements.

The present billing demand is the customer's previously established demand on MUCo's system annual peak. The fuel clause is the same as in the present tariff except that the fuel cost base is 0.990¢ per kWh and the loss adjustment factor has been increased slightly.

Notice of the filing was issued on May 11, 1977, with responses due on or before May 25, 1977.

As previously indicated, Jackson and Malden are served under separate, fixed rate, fixed term contracts. Each contract contains a section for redetermining the applicable rate. The "Rate Redetermination" sections provide that for changed conditions for service and other changes which effect a change in cost to serve, either party, upon proper notice prior to each successive two years of service, may request a rate review. If such review indicates that the rate does not reasonably reflect the normal costs of supplying service; the contract rate, upon mutual agreement, shall be subject to adjustment for the ensuing two year period. In the event the customer and MUCo fail to agree on the basis for revising the rate, the facts shall be presented to the Missouri Public Service

Commission—in the case of Jackson—and to this Commission—in the case of Malden—for decision which shall be binding and final on the parties.

MUCo advises that it intends to apply the proposed SFR-1 rate as included in its FPC electric Tariff to Jackson and Malden at the conclusion of this proceeding and on October 1, 1977, respectively.

In 1975, in Docket No. E-9473, MUCo proposed to increase its SFR-1 rate applicable to Kennett under tariff and to Jackson and Malden under their respective contracts. By order dated August 15, 1975, the Commission accepted the revised SFR-1 rate for filing as to Jackson and Malden to become effective upon expiration of their fixed-rate contracts. The order indicated that MUCo intended to terminate the contracts with Jackson and Malden on March 2, 1976, and October 1, 1977, respectively, at which time service under the tariff was to begin. Jackson and Malden petitioned for rehearing of the Commission's August 15, 1975 order. By order issued October 15, 1975, granting rehearing, the Commission held that since MUCo intended to terminate Jackson's and Malden's contracts at the renegotiation dates, the filings should be rejected as to them.

MUCo maintains that the gap between revenues from Jackson and Malden and the costs of supplying their service has persisted since the 1975 proceedings. It states it has taken steps to redetermine the rate at which service will be provided. Presently, negotiations are still underway with Malden; MUCo avers that negotiations with Jackson are at an impasse.

In interpreting the "Rate Redetermination" sections of Jackson's and Malden's contracts, the Commission believes that an impasse in negotiations for a new rate is a condition precedent to submitting the matter to the Commission for decision. It appears that such an impasse has been reached in MUCo's negotiations with Jackson. Consequently, the proposed filing, as it relates to Jackson, should be set for investigation pursuant to Section 206 of the Federal Power Act, to become effective upon the conclusion of proceedings in this docket.

By MUCo's own admission, its negotiations with Malden have not reached an impasse. Since such an impasse is a condition precedent to Commission consideration of the proposed rate as it pertains to Malden, MUCo's filing should be rejected to the extent that it relates to Malden. Rejection should be without

² Although Jackson's contract states that the facts should be submitted to the Missouri Public Service Commission, we believe the correct interpretation should be "the regulatory body having jurisdiction." The contract was executed in 1970 when the parties thought that the rate was subject to the jurisdiction of the Missouri Commission. The Commission asserted its jurisdiction over the contractual rates in 1974. We therefore believe that the facts should be presented to this Commission to determine a just and reasonable rate for service if an impasse in rate negotiations is reached.

¹ For tariff designation, see Attachment.

prejudice to refiling if an impasse in negotiations with Malden eventuates.

Commission review of the proposed rates indicates that they have not been shown to be just and reasonable and may be unjust, unreasonable, unduly discriminatory, preferential or otherwise unlawful. Since Kennett is not under any form of fixed-rate contract, the Commission shall therefore accept the proposed rate schedules as they relate to Kennett for filing, suspend their use for four months, and establish hearing procedures.

The Commission finds: (1) Good cause exists to accept for filing MUCo's proposed rate schedules as they relate to the City of Kennett, and suspend the use thereof for four months, to become effective October 2, 1977, subject to refund, pending the outcome of a hearing and decision thereon.

(2) Good cause exists to reject MUCo's filing as it relates to the City of Malden, without prejudice to subsequent refiling if an impasse in negotiations is reached.

(3) Good cause exists to set for investigation, pursuant to Section 206 of the Federal Power Act, MUCo's proposed rate increase as it relates to the City of Jackson.

The Commission orders: (A) Pursuant to the authority of the Federal Power Act, particularly Sections 205 and 206 thereof, and the Commission's Rules and Regulations, a hearing shall be held concerning the justness and reasonableness of MUCo's proposed rate schedules.

(B) Pending a hearing and a final decision thereon, MUCo's filing as it relates to Kennett is hereby accepted and suspended for four months, to become effective October 2, 1977, subject to refund.

(C) MUCo's filing, as it relates to Jackson, shall become effective upon the conclusion of the hearing and decision thereon in this docket.

(D) MUCo's filing, as it relates to Malden, is hereby rejected without prejudice to subsequent refiling if an impasse in contract negotiations is reached.

(E) Commission staff shall prepare and serve top sheets on all parties on or before September 1, 1977 (See Administrative Order No. 157).

(F) A Presiding Administrative Law Judge to be designated by the Chief Administrative Law Judge for that purpose (See Delegation of Authority, 18 CFR 35(d)), shall convene a settlement conference in this proceeding within 10 days after service of top sheets by Staff, in a hearing room of the Federal Power Commission, 825 North Capitol Street, N.E., Washington, D.C. 20426. Said Presiding Administrative Law Judge is hereby authorized to establish all procedural dates and to rule upon all motions (except petitions to intervene, motions to consolidate and sever and motions to dismiss), as provided for in the Rules of Practice and Procedure.

(G) The Secretary shall cause the prompt publication of this order to be made in the Federal Register.

By the Commission.

KENNETH F. PLUMB,
Secretary.

MISSOURI UTILITIES COMPANY
FPC ELECTRIC TARIFF REVISED RATE

Dated: May 20, 1977

Filed: May 2, 1977

Effective: September 2, 1977, subject to refund

Designations	Description
Third revised sheet No. 3 (supersedes second revised sheet No. 3).	Rate schedule SFR-1.
Third revised sheet No. 4 (supersedes second revised sheet No. 4).	Rate schedule SFR-1.
Third revised sheet No. 5 (supersedes second revised sheet No. 5).	Rate schedule SFR-1.
First revised sheet No. 5A (supersedes original sheet No. 5A).	Rate schedule SFR-1.

[FR Doc. 77-16280 Filed 6-8-77; 8:45 am]

[Docket No. RP76-91]

MONTANA-DAKOTA UTILITIES CO.

Extension of Time

JUNE 1, 1977.

On May 25, 1977, Montana-Dakota Utilities Co. filed a motion for extension of time within which to comment on the Draft Environmental Impact Statement noticed March 30, 1977, in the above-indicated docket. The motion states that Commission Staff Counsel does not object to an extension.

Upon consideration, notice is hereby given that the time for filing comments on the Draft Environmental Impact Statement in the above proceeding is extended to and including June 29, 1977.

KENNETH F. PLUMB,
Secretary.

[FR Doc. 77-16256 Filed 6-8-77; 8:45 am]

[Docket No. CP77-397]

NORTHERN NATURAL GAS CO.

Application

JUNE 2, 1977...

Take notice that on May 19, 1977, Northern Natural Gas Company (Applicant), 2223 Dodge Street, Omaha, Nebraska, 68102 filed in Docket No. CP77-397 an application pursuant to Section 7 of the Natural Gas Act for a certificate of public convenience and necessity authorizing the transportation of natural gas for Iowa Electric Light and Power Company (Iowa Electric), all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Applicant proposes to transport natural gas for Iowa Electric during the summer of 1977 and during the 1977-78 heating season pursuant to a gas transportation agreement dated July 8, 1976 between Applicant, Iowa Electric and Iowa Power and Light Company (Iowa Power). It is indicated that Iowa Electric needs the volumes of gas to assure the maintenance of adequate service to its high priority customers in 1977-78 winter season.

Applicant states that it would, upon request by Iowa Electric, deliver during

the period March 27 through October 26, 1977 (summer season) up to 2,000 Mcf of summer maximum daily volume (summer MDV) to Iowa Power at Des Moines for the account of Iowa Electric which volumes Iowa Power would liquefy and store for Iowa Electric. Applicant further states that such deliveries would be made through Iowa Power's Des Moines, Iowa TBS No. 1 located in Polk County, Iowa, and that on days not within the summer season, Iowa Electric may request and, subject to the approval of Applicant and Iowa Power, have gas delivered to Iowa Power under the same terms and conditions as volumes delivered during the summer season. The total net LNG inventory held in storage by Iowa Power for Iowa Electric would at no time exceed 108,000 Mcf, it is said.

Applicant states that each day during the summer season, Iowa Electric would designate by individual billing group the specific volume it wishes Applicant to deliver to Iowa Power at Des Moines for liquefaction and storage, and that the volume designated for a specific billing group is not to exceed the summer MDV then currently in effect for such billing group. It is stated that gas volumes delivered on any day would be those which could otherwise be delivered to Iowa Electric within its authorized entitlement for such day.

Applicant states that the gas volumes delivered to Iowa Power for the account of Iowa Electric during the summer season would be considered as sold to Iowa Electric within the billing group from which the volume was diverted and billed to such billing group under the CD-1 rate schedule. Such deliveries would be considered to be the first volumes delivered to each designated billing group, it is said.

Applicant indicates that it would at the direction of Iowa Electric transport by displacement to the billing groups, as designated by Iowa Electric, volumes of vaporized LNG at a daily rate of up to 9,000 Mcf during the period of October 27, 1977 through March 26, 1978 (winter season). It is stated that all volumes would be designated by individual billing group and are not to exceed the winter maximum daily volume (winter MDV) then in effect for each billing group and that total daily volumes designated for transportation by Iowa Electric would be made available by Applicant's concurrent reduction of authorized deliveries to Iowa Power at Des Moines, Iowa, under Applicant's CD-1 rate schedule.

It is stated that Iowa Electric would pay Applicant a demand charge which would be determined by applying the appropriate summer or winter seasonal demand rate set forth below to the appropriate MDV set forth in the agreement, and that Iowa Electric would also pay a commodity charge which would be determined by applying the appropriate summer or winter commodity rate set forth below to the summer or winter seasonal transport volumes.

I. Season demand charge per Mcf:
A. Summer—\$2.465×SMDV; B. Winter—\$5.239×WMDV.

II. Commodity charge per Mcf: A. Summer (April-October); B. Rate to Des Moines TBS No. 1 from Group: B—None; C—0.16 cents per Mcf; D—None. B. Winter (November-March): Rates from Des Moines TBS No. 1 Group: B—4.20 cents per Mcf; C—0.841 cents per Mcf; D—3.149 cents per Mcf.

Any person desiring to be heard or to make any protest with reference to said application should on or before June 24, 1977, file with the Federal Power Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 1.8 or 1.10) and the Regulations under the Natural Gas Act (18 CFR 157.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene in accordance with the Commission's Rules.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by Sections 7 and 15 of the Natural Gas Act and the Commission's Rules of Practice and Procedure, a hearing will be held without further notice before the Commission on this application if no petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

KENNETH F. PLUMB,
Secretary.

[FR Doc. 77-16278 Filed 6-8-77; 8:45 am]
[Docket No. ER77-336]

OKLAHOMA GAS AND ELECTRIC CO.
Order Accepting for Filing and Suspending Proposed Rate Changes, Granting Intervention, Providing for Hearing and Consolidating Procedures

MAY 27, 1977.

On April 29, 1977,¹ Oklahoma Gas & Electric Company (OG&E) submitted for

¹ By letter dated May 16, 1977, OG&E submitted an unexecuted service agreement for Clarksville, Arkansas, for service at 12.47Y/

filing Electric Service Agreements for the Cities of Clarksville, Arkansas, Pond Creek, Purcell, Tonkawa, and Waynoka, Oklahoma, Cimarron Electric Cooperative, and for eleven existing points of delivery to Red River Valley Rural Electric Association. OG&E proposes that these Electric Service Agreements will supersede existing rate schedules with the respective municipalities, on various dates consistent with the expiration of each of the respective agreements.²

The proposed rates were filed previously in tariff form in Docket No. ER77-127 on December 27, 1976. Cost of Service data was submitted at that time, and OG&E requests waiver of further submission of that data under this submittal. In addition, copies of the requisite notices of termination were submitted in Docket No. ER77-127. By order issued January 26, 1977, the Commission accepted OG&E's tariff filed in Docket No. ER77-127 and suspended its effectiveness for two months until April 1, 1977. The instant submittal proposes the supersession of the agreements for each of the aforementioned customers by the unexecuted service agreements submitted herein.

OG&E's submittal was noticed on May 11, 1977, with comments, protests, or petitions to intervene due on or before May 19, 1977. On May 18, 1977, the Cities of Purcell, Tonkawa, Waynoka, and Okeene, Oklahoma (Cities), filed a Protest To Intervene, Motion To Reject, and Motion To Consolidate. The Cities contend that the rate filing must be rejected because OG&E cannot simultaneously proceed under both Sections 205 and 206 of the Federal Power Act. Alternatively, the Cities argue that OG&E's filing should be suspended for five months because OG&E will impose a price squeeze upon the wholesale customers by early implementation of the rate increase. In addition, the Cities request consolidation of this proceeding with Docket No. ER77-127, since OG&E submitted the requisite cost of service data in that proceeding.

Commission review of the proposed rates indicates that they have not been shown to be just and reasonable and may be unjust, unreasonable, unduly discrim-

7.2kV. OG&E services Clarksville through two points of delivery, 4.16kV and 12.47Y/7.2kV. The proposed contract for service at 4.16kV was included as an attachment to the April 24, 1977, filing. OG&E states the proposed contract for delivery at 12.47Y/7.2kV should have been submitted then but was inadvertently omitted.

² See Attachment for designations, dates, and descriptions.

inatory, preferential, or otherwise unlawful. Accordingly, the Commission shall accept for filing the proposed rate increases, suspend their effectiveness for one day, and establish hearing procedures.

The Commission finds: (1) Good cause exists to: accept OG&E's submittal for filing and suspend its effectiveness for one day, to become effective on the dates indicated in the Attachment, subject to refund, and establish hearing procedures.

(2) Good cause exists for the Commission to grant waiver of its requirement in Section 35.13 of its Regulations for submittal of cost of service data.

(3) Because of common issues of law and fact, Docket No. ER77-336 should be consolidated with Docket No. ER77-127.

(4) Good cause exists to grant intervention to the Cities of Purcell, Tonkawa, and Okeene, Oklahoma, in this proceeding.

(5) OG&E should submit the necessary revised "Index of Purchasers" to reflect effective dates as ordered.

The Commission orders: (A) Pursuant to the authority of the Federal Power Act, particularly Sections 205 and 206 thereof, and the Commission's Rules and Regulations, a public hearing shall be held concerning the justness and reasonableness of OG&E's proposed rates.

(B) Pending a hearing and final decision thereon, OG&E's submittal is hereby accepted for filing and suspended for one day, to become effective in the manner reflected in the Attachment.

(C) The Commission hereby waives its cost of service data requirement of Section 35.13 of its Regulations in this proceeding.

(D) Docket No. ER77-336 is hereby consolidated with Docket No. ER77-127 for purposes of a hearing and decision.

(E) The Cities of Purcell, Tonkawa, Waynoka, and Okeene, Oklahoma are hereby permitted to intervene in this proceeding, subject to the Rules and Regulations of the Commission; *Provided, however*, That participation of such intervenors shall be limited to matters set forth in the petition to intervene; and *Provided, further*, That the admission of such intervenors shall not be construed as recognition by the Commission that they might be aggrieved because of any order or orders of the Commission entered in this proceeding.

(F) OG&E shall submit a revised "Index of Purchasers" to reflect effective dates as ordered.

(G) The Secretary shall cause prompt publication of this order to be made in the FEDERAL REGISTER.

By the Commission.

KENNETH F. PLUMB,
Secretary.

Oklahoma Gas & Electric Co. rate schedule designations, Docket No. ER77-336

Filed: April 29, 1977.

Nature: Filing of service agreements for electric service at wholesale for resale.

Other party	Supersedes	Effective dates
Service agreements under: (1) FPC electric tariff, original vol. No. 1—municipalities		
City of Pond Creek, Okla.	FPC No. 45, as supplement	July 28, 1977
City of Purcell, Okla.	FPC No. 75, as supplement	July 2, 1977
City of Tonkawa, Okla.	FPC No. 85, as supplement	June 2, 1977
City of Waynoka, Okla.	FPC No. 72, as supplement	June 14, 1977
City of Clarksville, Ark.	FPC No. 82, as supplement	
The following metering points:		
4.16 kv delivery point		July 2, 1977
12.47 kv delivery point		Do.
Town of Okemah, Okla.	FPC No. 66, as supplement	Do.
FPC electric tariff, original vol. No. 1—cooperatives		
Clamaron Electric Cooperative	FPC No. 55, as supplement	July 26, 1977
Red River Valley	FPC No. 80, as supplement	
Rural Electric Association—the following metering points:		
Berwyn Metering Point		July 12, 1977
Brook Metering Point		Do.
Gene Autry Metering Point		Do.
Greenville Metering Point		Do.
Kingston Tap		Do.
Madill Metering Point		Do.
Mannsville Metering Point		Do.
Marlette Metering Point		Do.
Ringling Metering Point		Do.
Troxma Lodge Tap		Do.
Wilson Tap		Do.

(2) Index of purchasers, 2d revised sheet No. 24, under original vol. No. 1—municipalities (supersedes 1st revised sheet No. 24).

Dated: Dec. 27, 1977.

Filed: Apr. 29, 1977.

Effective: June 1, 1977.

[FR Doc. 77-16275 Filed 6-8-77; 8:45 am]

[Docket No. ER76-532]

PACIFIC GAS AND ELECTRIC CO.

Further Extension of Time

JUNE 2, 1977.

On April 22, 1977, the Secretary of the Interior filed in the captioned proceeding a motion for stay of filing and hearing dates and rescheduling of such dates should Pacific Gas and Electric Company's motion for approval of settlement agreement, filed January 31, 1977, be denied. The filing and hearing dates in the above proceeding were previously extended by notice issued February 28, 1977, and the instant motion shall be treated as a request for a further extension of time, pending Commission action on PG&E's motion for approval of settlement. The motion states that all parties to the proceeding have been contacted and there is no objection.

Upon consideration, notice is hereby given that the procedural dates in the above designated matter are modified as follows:

Filing of evidence in answer to PG&E's case-in-chief, September 2, 1977.
Filing of trial brief by parties answering evidence, September 16, 1977.
Filing of PG&E's rebuttal evidence, September 30, 1977.
Filing of PG&E's trial brief, October 14, 1977.
Hearing, October 28, 1977.

KENNETH F. PLUMB,
Secretary.

[FR Doc. 77-16259 Filed 6-8-77; 8:45 am]

[Docket No. ER77-385]

PACIFIC POWER & LIGHT CO.

Initial Rate Filing and Filing of Certificate of Concurrence

JUNE 3, 1977.

Take notice that Pacific Power & Light Company (Pacific) on May 19, 1977, tendered for filing, in accordance with Section 35.12 of the Commission's Regulations, a new Service Schedule IV-C under Pacific's Rate Schedule FPC No. 37 for power sales to Idaho Power Company (Idaho).

Pacific indicates that under this schedule Pacific supplies excess firm power to Idaho. Pacific further indicates that if during the period from September 1 to March 31 Pacific requires replacement of the energy which was delivered to Idaho during the period immediately prior to the April 1 through August 31 period, Idaho may pay the additional cost, if any, which Pacific must pay for such energy or may return the energy.

An Idaho Certificate of Concurrence was filed concurrently with the rate schedule.

Pacific requests waiver of the Commission's notice requirements to permit this rate schedule to become effective April 15, 1977, which it claims is the date of commencement of service.

Pacific states that copies of this filing were supplied to Idaho.

Any person desiring to be heard or to protest said application should file

a petition to intervene or protest with the Federal Power Commission, 825 North Capitol Street NE., Washington, D.C. 20426, in accordance with Sections 1.8 and 1.10 of the Commission's Rules of Practice and Procedure (18 CFR 1.8, 1.10). All such petitions or protests should be filed on or before June 14, 1977. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a petition to intervene. Copies of this application are on file with the Commission and are available for public inspection.

KENNETH F. PLUMB,
Secretary.

[FR Doc. 77-16293 Filed 6-8-77; 8:45 am]

[Docket No. CI77-507]

PACIFIC TRANSMISSION SUPPLY CO.

Application

JUNE 2, 1977.

Take notice that on May 18, 1977, Pacific Transmission Supply Company (Applicant), 77 Beale Street, San Francisco, California 94106, filed in Docket No. CI77-507 an application pursuant to Section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the sale of its share of the production of natural gas from certain wells in the Fontenelle Prospect in western Wyoming, all as more fully set forth in the Application which is on file with the Commission and open to public inspection.

Applicant states that since 1971, it, or its parent company Pacific Gas Transmission Company (PGT), has been involved in 23 gas exploration projects in the Rocky Mountain area of the United States, and that as of February 28, 1977, 84 wells had been drilled. Applicant further states that of the 84 wells already drilled, only 27 are considered to be potential commercial gas wells, and 13 are in the Fontenelle Prospect in western Wyoming where Applicant holds a working interest of approximately 37½ percent and has the right to purchase additional gas from other participants in the Prospect.

Applicant proposes to sell its share of the production of natural gas up to 10,000 Mcf per day from certain wells in the said Fontenelle Prospect pursuant to the terms of a gas purchase contract with PGT. Applicant states that the gas sold to PGT would be delivered to PGT at a central point in the Fontenelle Prospect, downstream of the outlet valve of a gathering system meter facility, at the fence enclosing a compressor facility proposed by PGT, and that it would deliver the gas to PGT to such central point through gathering facilities located in the Fontenelle Prospect. Applicant indicated that PGT would deliver the subject gas to Northwest Pipeline Corporation (Northwest) near its existing facilities in

[Project No. 2355]

PHILADELPHIA ELECTRIC CO.

Application for Change in Land Rights

JUNE 2, 1977.

western Wyoming for redelivery by Northwest by exchange, less certain volumes for shrinkage in processing, compressor fuel use, and sale, to Applicant's existing facilities near Spokane, Washington pursuant to a gas transportation and exchange agreement between PGT and Northwest.

It is stated that PGT would pay Applicant for each Mcf of gas delivered or for which payment is due in accordance with the following schedule:

For wells commenced on or after January 1, 1975 a price of 1.45 cents per Mcf, which price shall remain in effect until July 1, 1977 at which time such price shall be increased to 1.46 cents per Mcf. Thereafter, at the beginning of each subsequent three-month period commencing October 1, 1977 the price in effect shall be increased by an additional 1 cent per Mcf.

For wells commenced on or after January 1, 1973, and prior to January 1, 1975 a price of 94 cents per Mcf, which price shall remain in effect until January 1, 1978 at which time such price shall increase to 95 cents per Mcf.

Any person desiring to be heard or to make any protest with reference to said application should on or before June 24, 1977, file with the Federal Power Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 1.8 or 1.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene in accordance with the Commission's Rules.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by Sections 7 and 15 of the Natural Gas Act and the Commission's Rules of Practice and Procedure, a hearing will be held without further notice before the Commission on this application if no petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

KENNETH F. PLUMB,
Secretary.

[FR Doc. 77-16294 Filed 6-8-77; 8:45 am]

Public notice is hereby given that an application was filed on November 9, 1976, under the Federal Power Act (16 U.S.C. 791a-825r) by Philadelphia Electric Company (correspondence to: Mr. Edward G. Bauer, Jr., Vice President and General Counsel, Philadelphia Electric Company, 2301 Market Street, Philadelphia, Pennsylvania 19101) for approval to lease approximately 250 acres of land within the project boundary to the Pennsylvania Game Commission. The Project is located on the Susquehanna River in Lancaster and York Counties, Pennsylvania.

Licensee requests Commission approval to supplement 500 acres already under lease to the Game Commission by leasing lands located along routes LR 36005 and T-432 in Martic Township in Lancaster County. The Game Commission would be permitted to manage the wildlife resources of the additional 250 acres, provided that such management does not interfere with the normal operation of the project. The lease would be for a term of five years and would be renewable by either party at the end of that period. The lease would not extend beyond the term of the project license.

The Game Commission proposes to manage the premises to provide food and cover for wildlife during the term of the lease. In addition, the Game Commission would enter into sharecropping agreements with third parties for habitat improvement. Public access to the area would be available at all times.

Licensee states that the proposed lease would not impair project operations. The proposed lease provided that the lessee will not use or occupy the leased land in any manner which would interfere with the maintenance or operation of the Muddy Run project.

Any person desiring to be heard or to make any protest with reference to said application should file with the Federal Power Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR § 1.8 or § 1.10). All such petitions or protests should be filed on or before July 27, 1977. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene in accordance with the Commission's Rules. The application is on file with the Commission and is available for public inspection.

Take further notice that, pursuant to the authority contained in and conferred upon the Federal Power Commission

by Sections 308 and 309 of the Federal Power Act (16 U.S.C. 825g, 825h) and the Commission's rules of practice and procedure, specifically, § 1.32(b) (18 CFR 1.32(b)) (1976), a hearing may be held without further notice before the Commission on its application if no issue of substance is raised by any request to be heard, protest or petition filed subsequent to this notice within the time required herein and if the applicant or initial pleader requests that the shortened procedure of § 1.32(b) be used.

Under the shortened procedure herein provided for, unless otherwise advised, it will not be necessary for applicant or initial pleader to appear or be represented at the hearing before the Commission.

KENNETH F. PLUMB,
Secretary.

[FR Doc. 77-16268 Filed 6-8-77; 8:45 am]

[Docket No. E-9571]

POTOMAC EDISON CO.

Order Denying Petition for Declaratory Order and Denying Alternative Petition for Emergency Interconnection

JUNE 2, 1977.

On October 6, 1976, the Town of Thurmont, Maryland (Thurmont) tendered for filing a petition for declaratory order to clarify whether Potomac Edison Company (Edison) should provide high voltage service under Edison's WS-HV (HV) rate schedule. In the alternative, Thurmont petitioned for an order granting emergency interconnection under Section 202(c) of the Federal Power Act, and granting waiver of Section 32.61 of the Commission's rules and regulations. On November 3, 1976, Edison filed an answer to Thurmont's petition. For the reasons hereinafter stated the Commission denies Thurmont's petition for declaratory order or emergency interconnection.

Thurmont currently purchases its electric power under Edison's low voltage WS-LV (LV) tariff rate.¹ Thurmont's petition for declaratory order arises from the following fact situation: As a result of discussions by Thurmont and Edison over Edison's intent to file a proposed rate increase to its wholesale customers, representations were allegedly made that Thurmont would realize savings by converting from the present 4.16 Kv low voltage service to 35.4 Kv high voltage service. Thurmont asserts that by letter dated May 12, 1976, it elected to adopt the service offered by Edison and began to build the facilities to enable the town to take power at a higher voltage. In the same letter, Thurmont indicated that by taking service under the WS-HV rate schedule, in effect subject to refund pursuant to order of the Com-

¹ The Potomac Edison Company: FPC Electric Tariff First Revised Volume No. 2.

mission. Thurmont did not intend to waive its legal rights in another proceeding before the Commission, *Potomac Edison Company*, Docket No. ER76-221.

On May 21, 1976, Edison submitted to Thurmont a proposed service agreement for providing HV service to Thurmont. Thurmont asserts that, for fear of compromising issues under litigation, it counter-proposed initiation of high voltage service under the WS-HV tariff without signing the proposed high voltage electric service agreement. Edison did not accede to Thurmont's proposal.

Thurmont then signed the HV service agreement as initially tendered by Edison and submitted it to Edison together with a letter claiming entry into the contract under duress and desiring to preserve its rights in proceedings pending before the Commission. Thurmont further stated of the attached agreement that:

This Electric Service Agreement will become null and void if this letter protest (dated May 26, 1976) is not agreeable by the Potomac Edison Company.

By letter dated June 4, 1976, Edison rejected the HV electric service agreement signed by Thurmont on the basis of the letter of protest attached to the agreement.

On June 10, 1976, Thurmont again attempted by letter to obtain HV service, reasserting its position regarding the right to reserve its rights in any proceedings before the Commission.

Subsequent to Thurmont's petition for declaratory order or emergency interconnection, Edison filed an answer on November 3, 1976, asserting that the Rate Schedule WS-HV is the proper vehicle for providing high voltage service to Thurmont. Edison asserted, however, that the predicate standard electric service agreement was not executed since Edison, as a matter of policy, would not agree to a service agreement which did not incorporate language allowing the company to file for unilateral rate changes. This issue is being contested between Thurmont and Edison in the context of Thurmont's low voltage service agreement in Docket No. ER76-221.

The letter of protest by Thurmont, dated May 12, 1976, is viewed by Edison as an attempt by Thurmont to circumvent the company's desire to have a tariff condition permitting unilateral rate filings. In the answer, Edison further asserted that there was no legal basis for the alternative pleading by Thurmont for emergency interconnection under Section 202(c) of the Federal Power Act.

On November 15, 1976, Thurmont filed a reply to Edison's answer asserting what may be construed as an implied contract theory, further alleging that because of Edison's past inducement to Thurmont to build a substation and language in the LV service agreement envisioning service at high voltage, Edison should be ordered to interconnect and provide service at high voltage when the substation is ready.

On January 14, 1976, Thurmont filed a motion for expedited decision pointing out that Thurmont's substation for taking service at high voltage was lying idle after completion, and that Thurmont was missing the benefits which it would derive from service at higher voltage. Edison answered the motion on January 21, reasserting the allegation that no contract for HV service exists with Thurmont. Thurmont filed a second motion for expedited decision on April 1, 1977, which Potomac supported by answer on April 7, 1977.

Our review of the petition for declaratory order or in the alternative, for emergency interconnection pursuant to Section 202(c) of the Federal Power Act and the subsequent pleadings in this docket leads us to conclude that the petition for declaratory order or emergency interconnection must be denied.

The pleadings raise questions as to whether a contract exists between the parties. These are questions which this Commission has no jurisdiction to resolve, since the parties' entry into a contract is a condition precedent to this Commission's application of its regulatory powers under Section 205 and 206 of the Federal Power Act. Thus no jurisdiction exists for the issuance of a declaratory order under Section 17(c) of our Rules of Practice and Procedure.

Our review of the alternative petition for emergency interconnection under Section 202(c) of the Federal Power Act discloses that no actionable emergency exists under the facts alleged which would justify the Commission's forcing Potomac Edison to interconnect with and provide service at high voltage to Thurmont.

The Commission finds: Good cause to deny Thurmont's petition for a declaratory order and alternative petition for an emergency interconnection pursuant to Section 202(c) of the Federal Power Act.

The Commission orders: (A) The denial of Thurmont's petition for declaratory order and alternative petition for interconnection pursuant to Section 202(c) of the Federal Power Act.

(B) The Secretary shall cause prompt publication of this order in the FEDERAL REGISTER.

By the Commission: Commissioner Smith, dissenting, filed a separate statement appended hereto.

KENNETH F. PLUMS,
Secretary.

Smith, Commissioner, dissenting:

My view of the petition for declaratory order or in the alternative, for emergency interconnection pursuant to Section 202(c) of the Federal Power Act and the subsequent pleadings in this docket leads me to conclude that the petition for declaratory order must be granted. Therefore, I dissent from the majority opinion.

The present contract provides for service under Rate Schedule WS-LV "or any other rate that is applicable to the Customer's electric load". Service under WS-HV pursuant to the present contract is permissible given the customer's construction of facilities to serve its electric load at the higher

voltage. The only issue raised is with respect to the necessity of executing a new service agreement with clear unilateral rate change language. Since the Commission has already ruled by order issued March 12, 1976, in Docket No. ER76-221 that the present contract provides for unilateral rate changes, it would follow that the service under the WS-HV rate schedule which should be ordered would also be subject to unilateral change. Because of this determination, it is not necessary to reach the question raised of a Section 202(c) emergency interconnection.

DON S. SMITH,
Commissioner.

[PR Doc.77-16295 Filed 6-8-77; 8:45 am]

[Docket No. ER77-344]

**PUBLIC SERVICE CO. OF OKLAHOMA
Rate Schedule Change**

JUNE 2, 1977.

Take notice that on May 23, 1977, the Public Service Company of Oklahoma (PSO) tendered for filing a letter agreement dated June 23, 1971, between PSO and Associated Electric Cooperative, Inc. (AEC) amending the Letter Agreement, a supplement to the Interconnection Agreement between PSO and AEC which is on file with the Commission as Supplement No. 1 to Supplement No. 3 to Rate Schedule FPC No. PSO 186. PSO indicates that the Letter Agreement provides for increase in capacity rate for sale of unit capacity by PSO to AEC. PSO further indicates that tendered with this filing is amending Letter Agreement dated April 4, 1977, to provide for the current month's fuel to be applied to the energy rate.

PSO states that the change being made in the proposed capacity rate is as agreed to by both parties in the Letter Agreement. PSO further states that the Agreement provides for an increase in the capacity rate every three (3) years. According to PSO the amending Letter Agreement provides for energy rate to be based on the current month fuel cost.

Waiver of the Commission's notice requirements is requested to allow an effective date of June 1, 1977, for the proposed change.

Any person desiring to be heard or to protest said filing should file a petition to intervene or protest with the Federal Power Commission, 825 North Capitol Street NE., Washington, D.C. 20426, in accordance with §§ 1.8 and 1.10 of the Commission's rules of practice and procedure (18 CFR 1.8, 1.10). All such petitions or protests should be filed on or before June 15, 1977. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a petition to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

KENNETH F. PLUMS,
Secretary.

[PR Doc.77-16266 Filed 6-8-77; 8:45 am]

[Docket No. E-8242]

PUBLIC SERVICE CO. OF OKLAHOMA
Revisions and Amended Rate Schedules
 JUNE 2, 1977.

Take notice that Public Service Company of Oklahoma (PSCO) on April 21, 1977, tendered for filing in accordance with Ordering Paragraph (B) of Federal Power Commission Opinion No. 788 issued February 17, 1977, Revisions to the cost of service study, previously submitted by PSCO for the test year ending June 30, 1973, and which reflect the findings and conclusions of the Commission in that decision.

Included with this filing are Amended Rate Schedules which PSCO indicates were for sales of electric power and energy by PSCO for resale by its wholesale customers whose rates were at issue in this proceeding, which have also been revised to reflect the Commission's determinations.

Any person desiring to be heard or to protest said filing should file a petition to intervene or protest with the Federal Power Commission, 825 North Capitol Street NE., Washington, D.C. 20426, in accordance with §§ 1.8 and 1.10 of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.10). All such petitions or protests should be filed on or before June 13, 1977. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a petition to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

KENNETH F. PLUMB,
 Secretary.

[FR Doc. 77-16273 Filed 5-8-77; 8:45 am]

[Docket No. ER77-392]

SOUTHERN CALIFORNIA EDISON CO.
Agreement

JUNE 2, 1977.

Take notice that Southern California Edison Company (SCEC) on May 23, 1977, tendered for filing a Letter Agreement dated November 9, 1976, with the City of Tacoma, on behalf of its Department of Public Utilities, Light Division, for a short term provisional energy exchange between SCEC and Tacoma.

SCEC indicates that the Letter Agreement provided for an interchange of nonfirm energy from October 6, 1976, to December 31, 1976.

Any person desiring to be heard or to protest said filing should file a petition to intervene or protest with the Federal Power Commission, 825 North Capitol Street NE., Washington, D.C. 20426, in accordance with §§ 1.8 and 1.10 of the Commission's rules of practice and procedure (18 CFR 1.8, 1.10). All such petitions or protests should be filed on or before June 15, 1977. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants

parties to the proceeding. Any person wishing to become a party must file a petition to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

KENNETH F. PLUMB,
 Secretary.

[FR Doc. 77-16296 Filed 5-8-77; 8:45 am]

[Docket No. CP77-21]

TENNESSEE GAS PIPELINE CO., ET AL.
Amended Application

JUNE 2, 1977.

Take notice that on May 24, 1977, Tennessee Gas Pipeline Company, a Division of Tenneco Inc. (Tennessee), Columbia Gulf Transmission Company (Columbia Gulf) and Southern Natural Gas Company (Southern Natural) filed an application in Docket No. CP77-21 to amend the Commission's order of April 26, 1977, in said docket issuing a certificate of public convenience and necessity to Applicants, all as more fully set forth in the application to amend on file with the Commission and open to public inspection.

Applicants state that by its Order issued April 26, 1977, in Docket No. CP77-21, the Commission issued certificates of public convenience and necessity to Applicants authorizing, inter alia, the construction and operation of pipeline, compression and related facilities to attach gas reserves in Blocks 36 and 37 South Timbalier Area, Offshore Louisiana (Blocks 36-37).

Applicants further state that the facilities were designed for the purpose of attaching gas reserves dedicated to Applicants by their respective producer-suppliers from Blocks 36-37, and for the further purpose of providing capacity for the transportation of gas for Gulf from Blocks 36-37 for delivery onshore to Texas Eastern Transmission Corporation (Texas Eastern), either by means of equity participation by Gulf in the proposed facilities or by means of transportation of Gulf's gas by Tennessee through Tennessee's share of such proposed facilities.

Applicants state that subsequent to the issuance of the aforementioned certificate, Gulf has informed Tennessee that it has elected neither to participate in the project as an equity owner nor to have its gas transported by Tennessee. Accordingly, in order to reflect the omission of Gulf from the project and to provide only that capacity needed for Applicants to accommodate their own respective gas supplies from Blocks 36-37, Applicants propose to reduce from 24" to 20" the size of a 22.7 mile segment of high pressure pipeline to the existing Gulf-operated separation facility onshore on East Timbalier Island, and from there to Tennessee's Station 524 in Lafourche Parish, Louisiana.

Applicants state that the proposed reduction of 22.7 miles of certificated pipeline facilities from 24" to 20" will result in an estimated total cost reduction to Applicants of \$2,551,000.

Any person desiring to be heard or to make any protest with reference to said application, on or before June 24, 1977, should file with the Federal Power Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken, but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding, or to participate as a party in any hearing therein, must file a petition to intervene in accordance with the Commission's rules.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by Sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

KENNETH F. PLUMB,
 Secretary.

[FR Doc. 77-16297 Filed 5-8-77; 8:45 am]

[Project No. 488]

**THERMALITO IRRIGATION DISTRICT AND
 TABLE MOUNTAIN IRRIGATION DISTRICT**
Issuance of Annual License(s)

JUNE 3, 1977.

On August 27, 1974, Thermalito Irrigation District and Table Mountain Irrigation District, Licensees for Concow Dam Project No. 488, located on Concow Creek in Butte County, California, filed an application for a new license pursuant to the Federal Power Act and Commission Regulations thereunder.

The license for Project No. 488 was issued effective June 10, 1925, for a period ending June 9, 1975. Since expiration of the original license, the project has been maintained and operated under annual licenses, the most recent of which will expire on June 9, 1976. In order to authorize the continued operation and maintenance of the project, pending Commission action on Licensee's application, it is appropriate and in the public interest to issue an annual license to the Thermalito Irrigation District and Table Mountain Irrigation District.

Take notice that an annual license is issued to the Thermalito Irrigation Dis-

trict and Table Mountain Irrigation District for the period June 10, 1977, to June 9, 1978, or until the issuance of a new license for the project, whichever comes first, for the continued operation and maintenance of the Concow Dam Project No. 488 subject to the terms and conditions of the original license. Take further notice that if issuance of a new license does not take place on or before June 9, 1978, a new annual license will be issued each year thereafter, effective June 10 of each year, until such time as a new license is issued, without further notice being given by the Commission.

KENNETH F. PLUMB,
Secretary.

[FR Doc. 77-16262 Filed 6-8-77; 8:45 am]

[Docket No. ER77-386]

UPPER PENINSULA POWER CO.

Submission of Cost Support

JUNE 3, 1977.

Take notice that on May 20, 1977, Upper Peninsula Power Company (UPPCO) submitted cost support information ordered by the Commission in its letter of October 30, 1974, with respect to the proposed energy charges for the period subsequent to May 31, 1977.

UPPCO requests that the Commission permit this increase in rates to become effective as of June 1, 1977, the beginning of the current contract year.

UPPCO states that copies of the filing were served upon Escanaba and upon the Michigan Public Service Commission.

Any person desiring to be heard or to make any protest with reference to the subject matter of this notice should file a petition to intervene or protest with the Federal Power Commission, 825 North Capitol Street NE., Washington, D.C. 20426, in accordance with §§ 1.8 and 1.10 of the Commission's rules of practice and procedure (18 CFR 1.8, 1.10). All such petitions or protests should be filed on or before June 14, 1977. Protests will be considered by the Commission in determining the appropriate action to be taken but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a petition to intervene. Copies of the filing referred to herein are on file with the Commission and are available for public inspection.

KENNETH F. PLUMB,
Secretary.

[FR Doc. 77-16298 Filed 6-8-77; 8:45 am]

[Docket No. ER77-379]

VIRGINIA ELECTRIC AND POWER CO.

Tendered Revised Contract Supplements

JUNE 3, 1977.

Take notice that on May 19, 1977, Virginia Electric and Power Company (VEPCO) tendered for filing a contract supplement dated April 8, 1977, to the Service Agreement with the Town of Windsor, N.C., under Virginia Electric

and Power Company's FPC Electric Tariff, Original Volume No. 1.

Said filing requests Commission authorization for VEPCO to change its delivery voltage to the Town of Windsor from 4.16 kV to 12.5 kV.

VEPCO states that the revised contract supplement is intended to supersede the existing FPC Rate Schedule and requests that the revised supplement be allowed to become effective as of the date of connection of the 12.5 kV Service which is expected to occur by June 1977.

Any person desiring to be heard or to make any protest with reference to said application should on or before June 14, 1977, file with the Federal Power Commission, Washington, D.C. 20426, petitions to intervene or protests in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Persons wishing to become parties to a proceeding or to participate as a party in any hearing therein must file petitions to intervene in accordance with the Commission's Rules. The application is on file with the Commission and is available for public inspection.

KENNETH F. PLUMB,
Secretary.

[FR Doc. 77-16265 Filed 6-8-77; 8:45 am]

GENERAL SERVICES ADMINISTRATION

PRIVACY ACT OF 1974

Deletion of a System of Records

On September 8, 1976, there was published in the FEDERAL REGISTER (41 FR 38088 through 38145) annual notices of systems of records pursuant to the provisions of the Privacy Act of 1974, Public Law 93-579, 5 U.S.C. 552a. This notice deletes the system of records identified as "Motor Vehicle Accident and Claim Reporting System GSA/FSS-6," system identification number 23-00-0088, 41 FR 38139. The records in the system are no longer retrieved by personal identifier.

Dated at Washington, D.C. on May 31, 1977.

PAUL S. CARTER,
Acting Director of Administration.

[FR Doc. 77-16310 Filed 6-8-77; 8:45 am]

REGIONAL PUBLIC ADVISORY PANEL ON ARCHITECTURAL AND ENGINEERING SERVICES

Meeting

Pursuant to Public Law 92-463, notice is hereby given of a meeting of the Regional Public Advisory Panel on Architectural and Engineering Services, Region 3, June 28, 29, and 30, 1977, from 9 a.m. to 4 p.m., Room 2636, GSA Re-

gional Office Building, Seventh and D Streets SW., Washington, D.C. The meeting will be devoted to the initial step of the procedures for screening and evaluating the qualifications of architect-engineers under consideration for selection to furnish professional services for the following proposed projects: (a) Renovation of General Services Administration, Regional Office Building, Washington, D.C.; (b) Renovation of General Services Administration, Central Office Building, Washington, D.C.; and (c) Renovation of West Heating Plant, Washington, D.C. The meeting will be open to the public.

Dated: May 31, 1977.

JOHN F. GALUARDI,
Regional Administrator.

[FR Doc. 77-16313 Filed 6-8-77; 8:45 am]

FEDERAL PROPERTY MANAGEMENT REGULATIONS

Temporary Regulation E-47, Supplement 2

To: Heads of Federal agencies.

Subject: Teleprocessing Services Program.

1. *Purpose.* This supplement makes the provisions of the Teleprocessing Services Program (TSP) mandatory.

2. *Effective date.* This regulation is effective August 1, 1977.

3. *Expiration date.* This regulation expires on September 30, 1977, unless sooner superseded or revised.

4. *Explanation.* GSA issued FPMR Temporary Regulation E-47 on August 3, 1976, and extended its expiration date to September 30, 1977, through Supplemental 1 to E-47. Paragraph 9 of FPMR Temporary Regulation E-47 established interim teleprocessing requirements pending the determination that the program would be the mandatory means by which Federal agencies would acquire commercial teleprocessing services. August 1, 1977, has been determined as the date for mandatory use of the program.

5. *Effect on other issuances.* FPMR Temporary Regulation E-47 is changed as follows:

- (a) Paragraph 9 is canceled.
- (b) Supplement 1 is canceled.

Dated: May 20, 1977.

ROBERT T. GRIFFIN,
Acting Administrator of
General Services.

[FR Doc. 77-16312 Filed 6-8-77; 8:45 am]

GSA BULLETIN FPR 27

Federal Procurement

To: Heads of Federal agencies.

Subject: Maximizing use of imprest fund and blanket purchase arrangement procedures.

1. *Purpose.* This bulletin emphasizes the potential for reducing administrative costs through maximum use of the imprest fund and blanket purchase arrangement procedures set forth in Sub-

part 1-3.6 of the Federal Procurement Regulations (FPR).

2. *Expiration date.* This bulletin contains information of a continuing nature and will remain in effect until canceled.

3. *Background.* The Commission on Federal Paperwork has noted that Government purchasing activities frequently use regular small purchase procedures for transactions which can be handled through the use of simpler, more efficient imprest fund procedures. Similarly, the use of blanket purchase arrangements may often be more economical and efficient than regular small purchase procedures.

4. *Agency action.* Procurement officials should take action to ensure that purchasing personnel both understand and use the imprest fund and blanket purchase arrangement procedures in Subpart 1-3.6 of the FPR to the maximum extent practicable.

Dated: June 2, 1977.

JAY H. BOLTON,
Acting Commissioner,
Federal Supply Service.

[FR Doc. 77-16311 Filed 6-8-77; 8:45 am]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Human Development REHABILITATION ENGINEERING RESEARCH

Announcement of Grants for FY 1977 (Program Announcement 13627-771)

The Rehabilitation Services Administration, Office of Human Development, announces that applications will be accepted until July 6, 1977 from agencies and organizations wishing to compete for grants in rehabilitation engineering in Fiscal Year 1977 as authorized in sections 202(a) and 202(b)(2) of the Rehabilitation Act of 1973 as amended (29 U.S.C. 762).

All applications received by the closing date which are complete and conform to the requirements of this program announcement will be accepted for review and consideration for an award.

Regulations governing rehabilitation engineering research grants were published in the FEDERAL REGISTER in Subparts A and D of Part 1362 Chapter XIII of Title 45 of the Code of Federal Regulations (45 CFR Part 1362), on November 25, 1975.

Scope of this program announcement: This program announcement identifies the general program objectives and funding priorities of the rehabilitation engineering research program of RSA for Fiscal Year 1977. Competitions in other areas of vocational rehabilitation research will be announced separately in the FEDERAL REGISTER.

A. Program purpose. The purpose of this research program in rehabilitation engineering is to integrate the scientific knowledge in medicine, engineering and related sciences to help in resolving the vocational and self-care problems of the severely handicapped. The goal is to sys-

tematically address the problems of the severely handicapped by making full use of existing or new technology.

B. Eligible applicants. Any public or nonprofit agencies or organizations, including institutions of higher education, may apply for a grant under this announcement.

C. Available funds. An estimated \$2,000,000 is available for grants in rehabilitation engineering during FY 1977. It is expected that between 6 and 12 new grants will be awarded. The range of funds per grant is expected to be from \$50,000 to \$300,000. Generally, projects will be supported for periods of one to five years. The funds currently available will sustain the budget for the first year of the project. Support for any additional time remaining in the project period depends on funds available and the grantee's satisfactory performance on the project for which the grant was awarded.

D. Types of awards. There will be two types of awards: individual project grants and rehabilitation engineering center grants. As authorized by Section 202(a) of the Rehabilitation Act of 1973, as amended, individual project grants of national scope include proposals for the planning and conducting of research and demonstrations and related activities which bear directly on the development of methods, procedures and devices to assist in the provision of vocational rehabilitation services to handicapped individuals, and for studies and analyses of architectural and engineering designs adapted to meet the needs of the handicapped. These grants will have a project duration ranging from one to three years, but the support for each year beyond the first is based on the availability of funds and satisfactory progress.

The second type of award will be the rehabilitation engineering research center grants which are authorized in Section 202(b)(2). Their purpose is to: Develop innovative methods of applying advanced technology, scientific achievement, and psychological and social knowledge to solve rehabilitation problems by conducting research design to produce new knowledge, equipment, devices and systems needed by the handicapped including the stimulation, production and distribution of aids and devices to benefit the severely handicapped. Rehabilitation engineering research centers must be located in a clinical environment where patients are being provided continuing rehabilitation services; affiliated with a university that has a recognized level of excellence in medicine, engineering and allied sciences; and the facility must have already demonstrated a high level of expertise in rehabilitation engineering research. These grants may be made for a maximum of five years duration, but the support for each year beyond the first is based on the availability of funds and satisfactory progress.

E. Program objectives and priorities for funding research in rehabilitation engineering. Program objectives of the rehabilitation engineering program include the following:

1. To improve the quality of life of the physically handicapped through a total approach to rehabilitation, combining medicine, engineering, and related sciences.

2. To perform research and development in pioneering areas in which a Center has developed unique capabilities.

3. To collaborate with laboratories and industry to carry new devices and techniques through all phases of research, development, and clinical evaluation to active production and patient use.

4. To make available new devices and techniques to patients referred to the Center.

5. To educate clinicians and other professionals to use these new developments and the need to provide these services and techniques to patients throughout the nation.

6. To cooperate with other Centers in the clinical evaluation of their developments.

7. To provide an environment for education of physicians, engineers, and other professional persons involved in related life, physical, and social sciences.

8. To cooperate, coordinate, transfer, and exchange research findings and information with related centers and other institutions on a continuing basis.

Priorities for rehabilitation engineering research grants for FY 1977 are listed below:

1. Research to improve the present system for clinically evaluating rehabilitation engineering research and development products, and methods for stimulating the development, production and marketing of effective and economical aids and devices that could benefit the severely disabled;

2. Development of meaningful predictive measures of the effects of pressure on tissue and for the design of man-machine interface techniques or equipment which control forces applied to tissues and prevent damage;

3. Demonstration of information and service delivery systems in cooperation with State vocational rehabilitation agencies to promote the prompt utilization of engineering and other scientific research to assist in solving problems of handicapped individuals; evaluation to be carried on by RSA Regional Office;

4. Utilization of functional electrical stimulation of muscles and nerves to overcome both motor and sensory disability of upper extremities;

5. Research to improve or design new equipment, devices and systems to improve the transportation capabilities of the severely handicapped;

6. Research on various assistive devices, aids, equipment and systems which will reduce or eliminate low back pain;

7. Research on communication systems for the deaf, partially hearing, deaf-blind and others with speech impairments.

F. The application process. Application process. Application submission: Applications must be submitted on standard forms provided for this purpose which may be obtained at the following address: Division of Grants and Con-

tract Management, Office of Human Development, Room 1427, 330 C Street, S.W., Washington, D.C. 20201.

The application shall be executed by an official authorized to act for the applicant agency and to assume the obligations imposed by the terms and conditions of the grant award.

One signed original and two copies of the grant application, including all attachments, are required by the Division of Grants and Contract Management, Office of Human Development.

Application consideration: The Commissioner of the Rehabilitation Services Administration determines the final action with respect to each grant application.

All accepted grant applications are subjected to a competitive review and evaluation conducted by qualified experts in rehabilitation engineering who are not Federal Government employees, and who have no vested interests in the specific proposals under consideration. The results of the competitive review supplement and assist the Commissioner's consideration of competing applications. The Commissioner's consideration also takes into account the comments of State agencies for Vocational Rehabilitation, the HEW Regional Offices and the Central Office staff. Comments on the applications may also be requested from appropriate specialists and consultants inside and outside of the Government.

Grant awards: The Commissioner of RSA makes grant awards consistent with the purposes of the Rehabilitation Act of 1973, as amended, the regulations, and program announcements and within the limits of Federal funds available. If approved, the official grant award document is the Notice of Grant Awarded.

The Notice of Grant Awarded sets forth in writing to the grantee the amount of funds granted, the purpose of the grant, the terms and conditions of the grant award, the effective date of the award, the budget period for which support is given and the total grantee participation, if any. The initial award also specifies the total project period for which support is contemplated.

G. Criteria for review and evaluation of applications. Applications for rehabilitation engineering research grants will be reviewed in terms of the following criteria:

1. The relevance of the content of the proposed research to the objectives of the Rehabilitation Act of 1973, as amended, and the FY 1977 objectives of the rehabilitation engineering program;
2. Evidence that the state of the art in the field of rehabilitation engineering research to be investigated is sufficiently developed to provide a high potential for producing relatively immediate benefits to the handicapped;
3. The extent to which the institution has unique capabilities and expertise in the area of research selected for a center or individual project grant;
4. The clarity of the defined core area of research which will provide the framework for all research, clinical eval-

uation, training and service delivery functions of that center project;

5. The extent to which the potential rehabilitation engineering research center has or can have strong teaching affiliations with medical, engineering and other allied schools willing to cooperate in this center program;

6. Evidence that grantee has a clinical facility with individuals who have the types of disabilities relating to the core area of research under consideration;

7. The extent to which the potential rehabilitation engineering research center or individual project grantee has the capacity to carry on continuing education, and otherwise disseminate findings which will impact upon the service delivery system;

8. Extent to which the potential rehabilitation engineering research center is capable and has the expertise to clinically evaluate devices, equipment and techniques developed within that center or elsewhere;

9. Evidence that the potential rehabilitation engineering research center has an understanding and capacity to stimulate industry in developing, producing and marketing the results of research carried on within the center;

10. The soundness of the methodology to be employed in implementing the project and the feasibility of achieving the established objectives;

11. The financial and other resources of the applicant in accomplishing the objectives and the potential for the program to continue beyond the life of the research grant;

12. The extent to which the anticipated cost of the project is reasonable in relation to the expected results;

13. The extent to which the application instructions are adequately addressed, including both the narrative statement and budget justification;

14. The extent to which the proposal provides for an evaluation methodology, including the manner in which such a methodology will be used to measure achievement of the objectives of the research effort;

15. The extent to which the research program is national in scope, has direct applicability to the needs of severely handicapped individuals and the results are transferable to other geographic areas and programs in this country.

H. Closing date for receipt of applications. The closing date for receipt of applications is July 6, 1977. Applications may be mailed or hand delivered to: Division of Grants and Contract Management, Office of Human Development, 330 C Street, S.W., room 1427, Washington, D.C. 20201. Hand delivered applications will be accepted during normal working hours, which are 8:30 A.M. to 5:00 P.M.

Late applications will be returned to the applicant without consideration. An application will be considered to have arrived by the closing date if:

1. The application was sent by registered mail not later than July 6, 1977 as evidenced by the U.S. Postal Service postmark, or on the original receipt from the U.S. Postal Service; or

2. The application is received on or before the closing date in either the Department of Health, Education, and Welfare or the Office of Human Development mailrooms in Washington, D.C. (In establishing the date of receipt, consideration will be given to the time date stamps of such mailrooms or other documentary evidence of receipt maintained by the Department of Health, Education, and Welfare, or the Office of Human Development.)

(Catalog of Federal Domestic Assistance Number 13.627 Research and Demonstrations.)

Dated: June 3, 1977.

JOSEPH A. MOTTOLA,
Acting Commissioner, Rehabilitation Services Administration.

Approved: June 3, 1977.

/s/ ARABELLA MARTINEZ,
Assistant Secretary for Human Development.

[FR Doc. 77-16243 Filed 6-8-77; 8:45 a.m.]

National Institutes of Health

VIRUS CANCER PROGRAM ADVISORY COMMITTEE

Cancellation of Meeting

Notice is hereby given of the cancellation of the meeting of the Virus Cancer Program Advisory Committee, Viral Oncology Program, Division of Cancer Cause and Prevention, National Cancer Institute, June 16 and 17, 1977, at Bethesda, Maryland, which was published in the FEDERAL REGISTER on April 29, 1977, (42 FR 21853).

Dated: June 9, 1977.

SUZANNE L. FREMEAUX,
Committee Management Officer, National Institutes of Health.

[FR Doc. 77-16465 Filed 6-8-77; 8:45 am]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[CA 713]

CALIFORNIA

Order Providing for Opening of Lands

JUNE 3, 1977.

By virtue of the authority contained in Section 24 of the Act of June 10, 1920, 41 Stat. 1075, as amended, 16 U.S.C. 818 (1970), and in accordance with the authority delegated to me by the State Director, California State Office, Bureau of Land Management, dated January 13, 1977 (42 F.R. 3901), as amended, and pursuant to the determination of the Federal Power Commission in DA 1029, California, October 1, 1973, it is ordered as follows:

1. In DA 1029 California the Federal Power Commission determined that the power withdrawal as it affects a portion of the following described lands for power

project 1764 was no longer needed for power purposes and was vacated.

MOUNT DIABLO MERIDIAN

T. 18 S., R. 41 E.,
Sec. 25, 26, 34, 35.
T. 18 S., R. 42 E.,
Sec. 30.

The area described aggregates approximately 8.5 acres in Inyo County, California.

2. The State of California has waived its preference right of application for highway rights-of-way or material sites afforded it by Section 24 of the Federal Power Act.

3. At 10 a.m. on July 13, 1977, the unappropriated, unreserved public lands shall be open to operation of the public land laws generally, subject to valid existing rights, the provisions of existing withdrawals and classifications and the requirements of applicable laws.

4. All of the lands not otherwise withdrawn or reserved have been open to application and offers under the mineral leasing laws and to location under the U.S. mining laws subject to provisions of the Act of August 11, 1955 (69 Stat. 682; 30 U.S.C. 621).

Inquiries concerning these lands should be addressed to the Bureau of Land Management, Room E-2841, Federal Office Building, 2800 Cottage Way, Sacramento, California 95825.

JOAN B. RUSSELL,
Chief, Lands Section Branch of
Lands and Minerals Operations.

[FR Doc.77-16331 Filed 6-8-77;8:45 am]

[NM 30800]

NEW MEXICO Application

JUNE 2, 1977.

Notice is hereby given that, pursuant to Section 28 of the Mineral Leasing Act of 1920 (30 U.S.C. 185), as amended by the Act of November 16, 1973 (87 Stat. 576), Phillips Petroleum Company has applied for one 4½-inch natural gas pipeline right-of-way across the following land:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 20 S., R. 34 E.,
Sec. 17, W½SW¼;
Sec. 20, NW¼NW¼.

This pipeline will convey natural gas across 0.446 miles of national resource land in Lea County, New Mexico.

The purpose of this notice is to inform the public that the Bureau will be proceeding with consideration of whether the application should be approved, and if so, under what terms and conditions.

Interested persons desiring to express their views should promptly send their name and address to the District Manager, Bureau of Land Management, P.O. Box 1397, Roswell, New Mexico 88201.

ager, Bureau of Land Management, P.O. Box 1397, Roswell, New Mexico 88201.

FRED E. PADILLA,
Chief, Branch of
Lands and Minerals Operations.

[FR Doc.77-16332 Filed 6-8-77;8:45 am]

[NM 38744]

NEW MEXICO Application

MAY 31, 1977.

Notice is hereby given that, pursuant to Section 28 of the Mineral Leasing Act of 1920 (30 U.S.C. 185), as amended by the Act of November 16, 1973 (87 Stat. 576), El Paso Natural Gas Company has applied for one 4½-inch natural gas pipeline right-of-way across the following land:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 29 N., R. 8 W., Sec. 14, NW¼SE¼.

This pipeline will convey natural gas across 0.030 miles of national resource land in San Juan County, New Mexico.

The purpose of this notice is to inform the public that the Bureau will be proceeding with consideration of whether the application should be approved, and if so, under what terms and conditions.

Interested persons desiring to express their views should promptly send their name and address to the District Manager, Bureau of Land Management, P.O. Box 6770, Albuquerque, New Mexico 87107.

FRED E. PADILLA,
Chief, Branch of
Lands and Minerals Operations.

[FR Doc.77-16333 Filed 6-8-77;8:45 a.m.]

[NM 30758]

NEW MEXICO Application

MAY 31, 1977.

Notice is hereby given that, pursuant to Section 28 of the Mineral Leasing Act of 1920 (30 U.S.C. 185), as amended by the Act of November 16, 1973 (87 Stat. 576), Southern Union Gathering Company has applied for one 4-inch natural gas pipeline right-of-way across the following land:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 30 N., R. 8 W.,
Sec. 6, NW¼SE¼.

This pipeline will convey natural gas across 0.04 miles of national resource land in San Juan County, New Mexico.

The purpose of this notice is to inform the public that the Bureau will be proceeding with consideration of whether the application should be approved, and if so, under what terms and conditions.

Interested persons desiring to express their views should promptly send their

name and address to the District Manager, Bureau of Land Management, P.O. Box 6770, Albuquerque, New Mexico 87107.

FRED E. PADILLA,
Chief, Branch of
Lands and Minerals Operations.

[FR Doc.77-16333 Filed 6-8-77;8:45 am]

[R 2295]

CALIFORNIA

Order Providing for Openings of Lands Correction

In FR Doc. 77-11980 appearing on page 21326 in the issue of Tuesday, April 26, 1977, in the middle column, under "San Bernardino Meridian, California, Power Project 125", the sixth line below "T. 2 N., R. 9 W.", now reading "Sec. 22, N½, SW¼, N½SE¼, SW¼, SE¼.", should read "Sec. 22, N½, SW¼, N½SE¼, SW¼SE¼."

[M 072014]

MONTANA

Opportunity for Public Hearing and Repub- lication of Notice of Proposed Withdrawal

JUNE 3, 1977.

The Department of Agriculture filed application, Serial No. M 072014, on November 30, 1965, for a withdrawal in relation to the following described lands:

PRINCIPAL MERIDIAN, MONTANA

BITTERROOT NATIONAL FOREST

Spring Gulch Campground

T. 1 N., R. 20 W.,
Sec. 1, SW¼SE¼SE¼; and
Sec. 12, N½NW¼NE¼NE¼.
Total area—15 acres.

Jennings Campground

T. 2 N., R. 18 W.,
Sec. 25, SW¼NW¼NW¼ and NW¼SE¼
NW¼NW¼; and
Sec. 27, SE¼NE¼NE¼.
Total area—22.5 acres.

Bertie Lord River Flat Recreation Area

T. 2 N., R. 18 W.,
Sec. 24, S½SW¼SW¼NE¼, NW¼NW¼
SE¼, E½NE¼NE¼SW¼, and SE¼SE¼
SE¼NW¼.
Total area—22.5 acres.

Little Boulder Bay Recreation Area

T. 1 S., R. 22 W.,
Sec. 26, N½SE¼SW¼SE¼, S½NE¼ SW¼
SE¼, NW¼NE¼SW¼SE¼, and NE¼
NW¼SW¼SE¼.
Total area—15 acres.

Slate Creek Campground

T. 2 S., R. 22 W.,
Sec. 2, Lot 2.
Total area—47.6 acres.

Alta Campground

T. 2 S., R. 22 W.,
Sec. 34, Lot 1.
Total area—46.24 acres.

Boulder Creek Campground and Road Termini

T. 1 N., R. 21 W.,
Sec. 18, W $\frac{1}{2}$ W $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ and SE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$; and
Sec. 19, W $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, and N $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$.
Total area—55 acres.

Rombo Campground

T. 1 S., R. 22 W.,
Sec. 11, S $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, and W $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$.
Total area—40 acres.

Oversight Campground

T. 2 S., R. 22 W.,
Sec. 14, SW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$, and N $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$.
Total area—27.5 acres.

Little West Fork Campground

T. 1 S., R. 22 W.,
Sec. 4, Lot 4.
Total area—34.66 acres.

Crazy Creek Campground

T. 1 N., R. 20 W.,
Sec. 22, W $\frac{1}{2}$ W $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ and E $\frac{1}{2}$ E $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$; and
Sec. 27, W $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ and NW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$.
Total area—50 acres.

Indian Tree Recreation Area

T. 1 S., R. 19 W.,
Sec. 9, E $\frac{1}{2}$ E $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ E $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, and S $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$; and
Sec. 16, W $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, and N $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$.
Total area—60 acres.

Martin Creek Public Campground

T. 2 N., R. 17 W.,
Sec. 9, SE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$, and SW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$.
Total area—17.5 acres.

Lake Como Recreation Area

T. 4 N., R. 21 W.,
Sec. 20, S $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$; and
Sec. 31, Lot 1; and
Sec. 32, Lots 2 and 3.
Total area—80.38 acres.

Lost Trail Recreation Area

T. 2 S., R. 19 W.,
Sec. 4, Lots 1, 3, and 4.
Total area—87.67 acres.

Lost Horse Campground

T. 4 N., R. 21 W.,
Sec. 18, SW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, and NW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$.
Total area—20 acres.

Larry Creek Campground

T. 10 N., R. 20 W.,
Sec. 33, NW $\frac{1}{4}$ NW $\frac{1}{4}$.
Total area—40 acres.

Charles Waters Memorial Campground

T. 10 N., R. 20 W.,

Sec. 32, S $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, and NW $\frac{1}{4}$ W $\frac{1}{2}$ SE $\frac{1}{4}$.
Total area—80 acres.

The areas described aggregate 761.55 acres in Ravalli County, Montana.

The applicant desires that the land be reserved for campgrounds and picnic sites.

Pursuant to section 204(h) of the Federal Land Policy and Management Act of 1976, 90 Stat. 2754, notice is hereby given that an opportunity for a public hearing is afforded in connection with the pending withdrawal application. All interested persons who desire to be heard on the proposed withdrawal must file a written request for a hearing with the State Director, Bureau of Land Management, P.O. Box 30157, Billings, Montana 59107, on or before July 13, 1977. Notice of the public hearing will be published in the FEDERAL REGISTER, giving the time and place of such hearing. The hearing will be scheduled and conducted in accordance with BLM Manual Sec. 2351.16 B. All previous comments submitted in connection with the withdrawal application have been included in the record and will be considered in making a final determination on the application.

In lieu of or in addition to attendance at a scheduled public hearing, written comments or objections to the pending withdrawal application may be filed with the undersigned authorized officer of the Bureau of Land Management on or before July 13, 1977.

The above-described lands are temporarily segregated from the operation of the public land laws, including the mining laws, to the extent that the withdrawal applied for, if and when effected, would prevent any form of disposal or appropriation under such laws. Current administrative jurisdiction over the segregated lands will not be affected by the temporary segregation. In accordance with section 204(g) of the Federal Land Policy and Management Act of 1976 the segregative effect of the pending withdrawal application will terminate on October 20, 1991, unless sooner terminated by action of the Secretary of the Interior.

All communications (except for public hearing requests) in connection with the pending withdrawal application should be addressed to the Chief, Branch of Lands and Minerals Operations, Bureau of Land Management, Department of the Interior, P.O. Box 30157, Billings, Montana 59107.

ROLAND F. LEE,
Chief, Branch of Lands and
Minerals Operations.

[FR Doc. 77-16314 Filed 6-8-77; 8:45 am]

[M 20575]

MONTANA

Opportunity for Public Hearing and Republication of Proposed Withdrawal

MAY 31, 1977.

The Department of Agriculture on behalf of the Forest Service filed application, Serial No. M 20575, on January 21, 1972, for the withdrawal of approximately 469.1 acres of national forest lands from location and entry under the mining laws (30 U.S.C. Ch. 2), but not from leasing under the mineral leasing laws, subject to valid existing rights. On October 10, 1975, the Assistant Secretary, Department of Agriculture, recommended that we delete one 40-acre tract in the Newlan Creek Administrative Site, i.e., SE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 9, T. 11 N., R. 7 E., P.M.M.

The proposed withdrawal does not alter the applicability of those public land laws governing the use of the national forest lands under lease, license, or permit or governing the disposal of their mineral or vegetative resources other than under the mining laws.

PRINCIPAL MERIDIAN, MONTANA

LEWIS AND CLARK NATIONAL FOREST

Calf Creek Administrative Site

T. 13 N., R. 6 E.,
Sec. 33, SE $\frac{1}{4}$ SE $\frac{1}{4}$.

Newlan Creek Administrative Site

T. 11 N., R. 7 E.,
Sec. 9, W $\frac{1}{2}$ NE $\frac{1}{4}$.

Moose Creek Campground

T. 12 N., R. 7 E.,
Sec. 5, S $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, and NE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$.

Jumping Creek Campground

T. 12 N., R. 7 E.,
Sec. 36, S $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, and N $\frac{1}{2}$ N $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$.

Grasshopper Campground

T. 9 N., R. 8 E.,
Sec. 17, NE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, and N $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$.

Lamb Creek Campground

T. 12 N., R. 8 E.,
Sec. 33, S $\frac{1}{2}$ S $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ S $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$, and NW $\frac{1}{4}$ SE $\frac{1}{4}$.

Dry Wolf Campground

T. 14 N., R. 9 E.,
Sec. 13, NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, and NW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, excluding the private lands in HES No. 63.

The areas described aggregate approximately 429.1 acres in Judith Basin and Meagher Counties, Montana.

The Forest Service desires these lands for the protection of five existing public campgrounds and two administrative sites in the Lewis and Clark National Forest, Montana.

A notice of the proposed withdrawal was published in the *FEDERAL REGISTER* on February 11, 1972, page 3195, Volume No. 37, Document No. 72-2168.

Pursuant to section 204(h) of the Federal Land Policy and Management Act of 1976, 90 Stat. 2754, notice is hereby given that an opportunity for a public hearing is afforded in connection with the pending withdrawal application. All interested persons who desire to be heard on the proposed withdrawal must file a written request for a hearing with the State Director, Bureau of Land Management, P.O. Box 30157, Billings, Montana 59107, on or before July 10, 1977. Notice of the public hearing will be published in the *FEDERAL REGISTER*, giving the time and place of such hearing. The hearing will be scheduled and conducted in accordance with BLM Manual Sec. 2351.16 B. All previous comments submitted in connection with the withdrawal application have been included in the record and will be considered in making a final determination on the application.

In lieu of or in addition to attendance at a scheduled public hearing, written comments or objections to the pending withdrawal application may be filed with the undersigned authorized officer of the Bureau of Land Management on or before July 10, 1977.

The above described lands are temporarily segregated from the operation of the public land laws including the mining laws, to the extent that the withdrawal applied for, if and when effected, would prevent any form of disposal or appropriation under such laws. Current administrative jurisdiction over the segregated lands will not be affected by the temporary segregation. In accordance with section 204(g) of the Federal Land Policy and Management Act of 1976 the segregative effect of the pending withdrawal application will terminate on October 20, 1991, unless sooner terminated by action of the Secretary of the Interior.

All communications (except for public hearing requests) in connection with the pending withdrawal application should be addressed to the Chief, Branch of Lands and Minerals Operations, Bureau of Land Management, Department of the Interior, P.O. Box 30157, Billings, Montana 59107.

ROLAND F. LEE,
Chief, Branch of Lands and
Minerals Operations.

[FR Doc. 77-16315 Filed 6-8-77; 8:45 am]

[M 20575]

MONTANA

Termination of Proposed Withdrawal and Reservation of Lands

MAY 31, 1977.

Notice of an application, Serial No. M 20575, for withdrawal and reservation of lands was published as *FEDERAL REGISTER* Document No. 72-2168, on page 3195 of the issue for February 12, 1972. The United States Forest Service has canceled its application insofar as it involved the lands described below. There-

fore, pursuant to the regulations contained in 43 CFR 2350, such lands will be at 10 a.m. on July 10, 1977, relieved of the segregative effect of the above-mentioned application.

The lands involved in this notice of termination are:

PRINCIPAL MERIDIAN, MONTANA

T. 11 N., R. 7 E.,
Sec. 9, SE $\frac{1}{4}$ NW $\frac{1}{4}$.

ROLAND F. LEE,
Chief, Branch of Lands and
Minerals Operations.

[FR Doc. 77-16316 Filed 6-8-77; 8:45 am]

[M 141]

MONTANA

Transfer of Submarginal Lands, Fort Belknap Indian Reservation

JUNE 1, 1977.

1. Pursuant to Public Law 94-114 (89 Stat. 577) and Sec. 2 thereof, the lands described in paragraph 3 of this notice, together with all minerals underlying this land, whether acquired or otherwise owned by the United States, are hereby declared to be held by the United States in trust for the use and benefit of the Fort Belknap Indian Community of Montana. The lands shall be a part of the established Fort Peck Indian Reservation. These lands were submarginal lands acquired under Title II of the National Industrial Recovery Act of June 16, 1933 (48 Stat. 200), the Emergency Relief Appropriation Act of April 8, 1935 (49 Stat. 115), and Sec. 55 of the Act of August 24, 1935 (49 Stat. 750, 781). This notice is issued under the authority delegated to me by Bureau Order No. 701, dated July 23, 1946, as amended.

2. All existing mineral leases, including oil and gas leases, which have been issued on this land will remain in force and effect in accordance with the terms and provisions of the Act under which the leases were issued. The lease files will be transferred to the Office of the Area Director, Bureau of Indian Affairs, Billings, Montana.

Future rentals for these leases will be paid to and collected by that office. Jurisdiction of these mineral leases is transferred from the Bureau of Land Management to the Bureau of Indian Affairs in trust for the Fort Belknap Indian Community.

3. Principal Meridian, Montana.

T. 26 N., R. 21 E.,
Sec. 2, Lot 4 and SW $\frac{1}{4}$ NW $\frac{1}{4}$;
Sec. 3, Lots 1, 2, and 3, S $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$,
and SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 4, Lot 4 and SW $\frac{1}{4}$ NW $\frac{1}{4}$;
Sec. 5, Lots 1, 2, 3, and 4, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$
NW $\frac{1}{4}$, and SW $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 6, Lots 1, 2, 3, and 4; excepting a strip
55 feet wide and 3,960 feet long lying
along the south side of Lots 1, 2, and 3;
Sec. 8, NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$, and SW $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 9, W $\frac{1}{2}$;
Sec. 11, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 12, SW $\frac{1}{4}$; and
Sec. 13, NW $\frac{1}{4}$ NE $\frac{1}{4}$ and N $\frac{1}{2}$ NW $\frac{1}{4}$.
T. 27 N., R. 21 E.,
Sec. 3, SW $\frac{1}{4}$;
Sec. 4, Lots 8 and 9, N $\frac{1}{2}$ S $\frac{1}{2}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, and
S $\frac{1}{2}$ SE $\frac{1}{4}$;

Sec. 6, Lot 14 and SE $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 7, Lots 1, 2, 3, and 4, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$
NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$;
Sec. 8, W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$,
and S $\frac{1}{2}$;
Sec. 9, E $\frac{1}{2}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, and
SW $\frac{1}{4}$;
Sec. 10, S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, and N $\frac{1}{2}$ S $\frac{1}{2}$;
Sec. 12, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 13, All;
Sec. 14, NE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, and SE $\frac{1}{4}$
SE $\frac{1}{4}$;
Sec. 15, W $\frac{1}{2}$;
Sec. 17, All; (the W $\frac{1}{2}$ SW $\frac{1}{4}$ of which is sub-
ject to a prior outstanding reservation
of $\frac{6}{16}$ percent of all oil and gas, with
the right to enter, mine and remove
same, subject to payment of damages to
the owner of the surface rights).
Sec. 18, Lot 1 and E $\frac{1}{2}$ NW $\frac{1}{4}$;
Sec. 20, N $\frac{1}{2}$; (the W $\frac{1}{2}$ NE $\frac{1}{4}$ and NW $\frac{1}{4}$ of
which are subject to a prior outstanding
reservation of $\frac{6}{16}$ percent of all oil and
gas, with the right to enter, mine and
remove same, subject to payment of
damages to the owner of the surface
rights).
Sec. 21, N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, and E $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 22, All;
Sec. 23, W $\frac{1}{2}$ E $\frac{1}{2}$ and W $\frac{1}{2}$;
Sec. 24, E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, and SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 25, N $\frac{1}{2}$ N $\frac{1}{2}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, and S $\frac{1}{2}$;
Sec. 26, S $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, and
W $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 28, SW $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$; (the SW $\frac{1}{4}$
of which is subject to a prior outstanding
reservation of $\frac{6}{16}$ percent of all oil,
gas, and minerals produced and saved
from these premises).
Sec. 29, N $\frac{1}{2}$ S $\frac{1}{2}$; (subject to a prior out-
standing reservation of $\frac{6}{16}$ percent of
all oil, gas, and minerals produced and
saved from these premises).
Sec. 30, Lots 3 and 4, E $\frac{1}{2}$ SW $\frac{1}{4}$ and SE $\frac{1}{4}$;
Sec. 31, Lots 1, 2, 3, and 4, NE $\frac{1}{4}$, E $\frac{1}{2}$ W $\frac{1}{2}$,
N $\frac{1}{2}$ SE $\frac{1}{4}$, and SW $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 33, W $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$, and S $\frac{1}{2}$ SE $\frac{1}{4}$; (the
W $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, and N $\frac{1}{2}$ SW $\frac{1}{4}$ of which
are subject to a prior outstanding reser-
vation of $\frac{6}{16}$ percent of all oil, gas, and
minerals produced and saved from these
premises).
Sec. 34, S $\frac{1}{2}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SE $\frac{1}{4}$; and
Sec. 35, E $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$.
T. 28 N., R. 21 E.,
Sec. 14, S $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 23, N $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, and SE $\frac{1}{4}$;
Sec. 24, S $\frac{1}{2}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 25, All; and
Sec. 26, W $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, and S $\frac{1}{2}$ SE $\frac{1}{4}$.
T. 25 N., R. 22 E.,
Sec. 21, All.
T. 26 N., R. 22 E.,
Sec. 4, Lots 10 and 11, SE $\frac{1}{4}$ SW $\frac{1}{4}$, and
SW $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 5, Lots 1, 2, and 3, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$
NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, and N $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 9, Lot 5, W $\frac{1}{2}$ NE $\frac{1}{4}$, and E $\frac{1}{2}$ NW $\frac{1}{4}$;
Sec. 17, S $\frac{1}{2}$ SW $\frac{1}{4}$;
Sec. 19, E $\frac{1}{2}$ SE $\frac{1}{4}$; and
Sec. 20, W $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, and S $\frac{1}{2}$.
T. 27 N., R. 22 E.,
Sec. 4, Lots 7, 8, 9, 11, 12, 13, 14, 16, 17,
and 18, SW $\frac{1}{4}$, and W $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 5, Lots 1, 2, 7, 8, 9, and 10, N $\frac{1}{2}$ SE $\frac{1}{4}$,
and SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 6, Lots 1, 2, 3, 4, 5, 6, 11, and 12, and
SW $\frac{1}{4}$;
Sec. 7, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 8, E $\frac{1}{2}$ E $\frac{1}{2}$;
Sec. 9, Lots 5, 6, 7, and 8, W $\frac{1}{2}$ E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$,
NW $\frac{1}{4}$ NW $\frac{1}{4}$, and W $\frac{1}{2}$ SW $\frac{1}{4}$;
Sec. 17, E $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$,
NW $\frac{1}{4}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$;
Sec. 18, E $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$,
and NW $\frac{1}{4}$ NW $\frac{1}{4}$;

Sec. 19, E $\frac{1}{2}$ E $\frac{1}{2}$ and SW $\frac{1}{4}$ NE $\frac{1}{4}$;
 Sec. 20, E $\frac{1}{2}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, and SW $\frac{1}{4}$;
 Sec. 21, All;
 Sec. 28, All;
 Sec. 29, All;
 Sec. 30, NE $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, and SW $\frac{1}{4}$ SE $\frac{1}{4}$;
 Sec. 31, N $\frac{1}{2}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, and NE $\frac{1}{4}$ SE $\frac{1}{4}$;
 Sec. 32, E $\frac{1}{2}$, NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$ SW $\frac{1}{4}$; and
 Sec. 33, Lots 5, 6, and 7, W $\frac{1}{2}$ E $\frac{1}{2}$, and NW $\frac{1}{4}$.
 T. 28 N., R. 22 E.,
 Sec. 9, Lots 3 and 4, SW $\frac{1}{4}$, and W $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 28, N $\frac{1}{2}$ and SE $\frac{1}{4}$;
 Sec. 29, NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, and SE $\frac{1}{4}$ NE $\frac{1}{4}$;
 Sec. 30, W $\frac{1}{2}$ SW $\frac{1}{4}$ and SE $\frac{1}{4}$ SW $\frac{1}{4}$;
 Sec. 31, NW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, and SW $\frac{1}{4}$ SW $\frac{1}{4}$;
 Sec. 32, NE $\frac{1}{4}$; and
 Sec. 33, All.
 T. 29 N., R. 22 E.,
 Sec. 28, Lots 7 and 8, E $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$; and
 Sec. 33, NW $\frac{1}{4}$ NE $\frac{1}{4}$.
 T. 28 N., R. 23 E.,
 Sec. 18, Lots 3 and 4 and E $\frac{1}{2}$ SW $\frac{1}{4}$; and
 Sec. 20, SE $\frac{1}{4}$ NW $\frac{1}{4}$.
 T. 31 N., R. 24 E.,
 Sec. 10, SE $\frac{1}{4}$ SE $\frac{1}{4}$.

The areas described aggregate 25,530.10 acres.

EDWIN ZALDICZ,
 State Director.

[FR Doc.77-16319 Filed 6-8-77; 8:45 am]

[M 067221]

MONTANA

Opportunity for Public Hearing and Republishing of Notice of Proposed Withdrawal

JUNE 2, 1977.

The Department of Agriculture filed application, Serial No. M 067221, on September 9, 1964, for a withdrawal in relation to the following described lands:

PRINCIPAL MERIDIAN, MONTANA

ROOTENAI NATIONAL FOREST

Paul Bunyan Recreation Area

T. 29 N., R. 30 W.,
 Sec. 30, W $\frac{1}{2}$ W $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$.
 Total area 45 acres.

Ross Creek Recreation Area

(Unsurveyed, but when surveyed will probably be:)

T. 28 N., R. 34 W.,
 Sec. 12, S $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$.
 Total area 20 acres.

Howard Lake Recreation Area

(Unsurveyed, but when surveyed will probably be:)

T. 27 N., R. 31 W.,
 Sec. 13, that part of: SW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, and SE $\frac{1}{4}$ NE $\frac{1}{4}$, lying north of Howard Lake.
 Total area 35 acres, more or less.

Rock Lake Recreation Area

T. 35 N., R. 26 W.,
 Sec. 6, Lot 6, E $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ and W $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ lying west and north of Rock Lake.
 Total area 78.61 acres.

Timberlane Recreation Area

T. 32 N., R. 31 W.,
 Sec. 35, W $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$, and E $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$.
 Total area 35 acres, more or less.

Camp 32 Recreation Area

T. 36 N., R. 28 W.,
 Sec. 35, S $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ and N $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$.
 Total area 25 acres.

Yaak Falls Recreation Area

(Unsurveyed, but when surveyed will probably be:)

T. 33 N., R. 33 W.,
 Sec. 9, W $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$.
 Total area 20 acres.

The areas described aggregate 258.61 acres in Lincoln County, Montana.

The applicant desires that the land be reserved in connection with a recreation activities program for campground and picnic areas.

A notice of the proposed withdrawal was published in the FEDERAL REGISTER on September 29, 1964, Volume No. 29, Page No. 13434, Document No. 64-9816.

Pursuant to section 204(h) of the Federal Land Policy and Management Act of 1976, 90 Stat. 2754, notice is hereby given that an opportunity for a public hearing is afforded in connection with the pending withdrawal application. All interested persons who desire to be heard on the proposed withdrawal must file a written request for a hearing with the State Director, Bureau of Land Management, P.O. Box 30157, Billings, Montana 59107, on or before July 12, 1977. Notice of the public hearing will be published in the FEDERAL REGISTER, giving the time and place of such hearing. The hearing will be scheduled and conducted in accordance with BLM Manual Sec. 2351.16 B. All previous comments submitted in connection with the withdrawal application have been included in the record and will be considered in making a final determination on the application.

In lieu of or in addition to attendance at a scheduled public hearing, written comments or objections to the pending withdrawal application may be filed with the undersigned authorized officer of the Bureau of Land Management on or before July 12, 1977.

The above described lands are temporarily segregated from the operation of the public land laws, including the mining laws, to the extent that the withdrawal applied for, if and when effected, would prevent any form of disposal or appropriation under such laws. Current administrative jurisdiction over the segregated lands will not be affected by the temporary segregation. In accordance with section 204(g) of the Federal Land Policy and Management Act of 1976 the segregative effect of the pending withdrawal application will terminate on October 20, 1991, unless sooner terminated by action of the Secretary of the Interior.

All communications (except for public hearing requests) in connection with the pending withdrawal application should be addressed to the Chief, Branch of Lands and Minerals Operations, Bureau of Land Management, Department of the Interior, P.O. Box 30157, Billings, Montana 59107.

ROLAND F. LEE,
 Chief, Branch of Lands and Minerals Operations.

[FR Doc.77-16320 Filed 6-8-77; 8:45 am]

[NM 30740]

NEW MEXICO

Application

MAY 31, 1977.

Notice is hereby given that, pursuant to Section 28 of the Mineral Leasing Act of 1920 (30 U.S.C. 185), as amended by the Act of November 16, 1973 (87 Stat. 576), Continental Oil Company has applied for one 4-inch natural gas pipeline right-of-way across the following land:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO
 T. 17 S., R. 32 E.,

Sec. 15, E $\frac{1}{2}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SE $\frac{1}{4}$.

This pipeline will convey natural gas across 0.32 miles of national resource land in Lea County, New Mexico.

The purpose of this notice is to inform the public that the Bureau will be proceeding with consideration of whether the application should be approved, and if so, under what terms and conditions.

Interested persons desiring to express their views should promptly send their name and address to the District Manager, Bureau of Land Management, P.O. Box 1397, Roswell, New Mexico 88201.

FRED E. PADILLA,
 Chief, Branch of Lands and Minerals Operations.

[FR Doc.77-16317 Filed 6-8-77; 8:45 am]

[NM 30743]

NEW MEXICO

Application

MAY 31, 1977.

Notice is hereby given that, pursuant to Section 28 of the Mineral Leasing Act of 1920 (30 U.S.C. 185), as amended by the Act of November 16, 1973 (87 Stat. 576), El Paso Natural Gas Company has applied for one 4 $\frac{1}{2}$ -inch natural gas pipeline right-of-way across the following land:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 30 N., R. 9 W.,
 Sec. 4, S $\frac{1}{2}$ NE $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$.

This pipeline will convey natural gas across 0.392 miles of national resource land in San Juan County, New Mexico.

The purpose of this notice is to inform the public that the Bureau will be proceeding with consideration of whether

the application should be approved, and if so, under what terms and conditions.

Interested persons desiring to express their views should promptly send their names and address to the District Manager, Bureau of Land Management, P.O. Box 6770, Albuquerque, New Mexico 87107.

FRED E. PADILLA,
Chief, Branch of Lands and
Minerals Operations.

[FR Doc.77-16318 Filed 6-8-77;8:45 am]

[NM 30741]

NEW MEXICO

Application

JUNE 2, 1977.

Notice is hereby given that, pursuant to Section 28 of the Mineral Leasing Act of 1920 (30 U.S.C. 185), as amended by the Act of November 16, 1973 (87 Stat. 576), Northwest Pipeline Corporation has applied for two 4½-inch natural gas pipeline rights-of-way across the following land:

NEW MEXICO PRINCIPAL MERIDIAN, NEW
MEXICO

T. 32 N., R. 11 W.,
Sec. 9, lot 4 and 5½ SE¼.

These pipelines will convey natural gas across 0.128 miles of national resource land in San Juan County, New Mexico.

The purpose of this notice is to inform the public that the Bureau will be proceeding with consideration of whether the application should be approved, and if so, under what terms and conditions.

Interested persons desiring to express their views should promptly send their name and address to the District Manager, Bureau of Land Management, P.O. Box 6770, Albuquerque, New Mexico 87107.

FRED E. PADILLA,
Chief, Branch of Lands and
Minerals Operations.

[FR Doc.77-16321 Filed 6-8-77;8:45 am]

[NM 30742]

NEW MEXICO

Application

JUNE 2, 1977.

Notice is hereby given that, pursuant to Section 28 of the Mineral Leasing Act of 1920 (30 U.S.C. 185), as amended by the Act of November 16, 1973 (87 Stat. 576), El Paso Natural Gas Company has applied for one 4½-inch natural gas pipeline right-of-way across the following lands:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 32 N., R. 10 W.,
Sec. 30, lot 17.
T. 32 N., R. 11 W.,
Sec. 25, E½ SE¼.

This pipeline will convey natural gas across 0.353 miles of national resource

lands in San Juan County, New Mexico.

The purpose of this notice is to inform the public that the Bureau will be proceeding with consideration of whether the application should be approved, and if so, under what terms and conditions.

Interested persons desiring to express their views should promptly send their name and address to the District Manager, Bureau of Land Management, P.O. Box 6770, Albuquerque, New Mexico 87107.

FRED E. PADILLA,
Chief, Branch of Lands and
Minerals Operations.

[FR Doc.77-16322 Filed 6-8-77;8:45 am]

[N-16949]

NEVADA

Proposed Withdrawal and Reservation of Land

The Bureau of Indian Affairs, Department of the Interior, on May 5, 1977, filed application, Serial No. N-16949, for the withdrawal, in aid of legislation, of the following land from settlement, sale, location, or entry, under all of the general land laws, including the mining and mineral leasing laws, subject to valid existing rights:

MOUNT DIABLO MERIDIAN

T. 37 N., R. 62 E.,
Sec. 4, N½ SW¼, containing 80 acres.

This land is to provide a land base for the Wells Indian Community of the Te-Moak Bands of Western Shoshone Indians, so that improvement of their housing and general living standards can be effected.

For a period of 45 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal may present their views in writing to the undersigned authorized officer of the Bureau of Land Management. Pursuant to section 204(h) of the Federal Land Policy and Management Act of 1976, notice is hereby given that an opportunity for a public hearing is afforded in connection with the proposed withdrawal. All interested persons who desire to be heard on the proposed withdrawal must submit a written request for a hearing to the State Director, Bureau of Land Management, 300 Booth St., Reno, NV 89509, on or before July 15, 1977. Notice of the public hearing will be published in the FEDERAL REGISTER giving the time and place of such hearing. The public hearing will be scheduled and conducted in accordance with BLM Manual, Sec. 2351.16B.

The Department of the Interior's regulations provide that the authorized officer of the BLM will undertake such investigations as are necessary to determine the existing and potential demands for the lands and their resources. He will also undertake negotiations with the applicant agency with the view of assuring that the area sought is the minimum essential to meet the applicant's needs,

providing for the maximum concurrent utilization of the lands for purposes other than the applicant's and reaching agreement on the concurrent management of the lands and their resources.

The authorized officer will also prepare a report for consideration by the Secretary of the Interior who will determine whether or not the lands will be withdrawn and reserved as requested by the applicant agency. The determination of the Secretary on the application will be published in the FEDERAL REGISTER. The Secretary's determination shall, in a proper case, be subject to the provisions of section 204(c) of the Federal Land Policy and Management Act of 1976, 90 Stat. 2752. The above described lands are temporarily segregated from the operation of the public land laws, including the mining and mineral leasing laws, to the extent that the withdrawal applied for, if and when affected, would prevent any form of disposal or appropriation under such laws. Current administrative jurisdiction over the segregated lands will not be affected by the temporary segregation. The segregative effect of this proposed withdrawal shall terminate 2 years from the date of publication in the FEDERAL REGISTER, unless sooner terminated by action of the Secretary of the Interior.

WM. J. MALENCIK,
Chief, Division of
Technical Services.

[FR Doc.77-16234 Filed 6-8-77;8:45 am]

INTERNATIONAL TRADE COMMISSION

[AA1921-167]

PRESSURE SENSITIVE PLASTIC TAPE FROM ITALY

Investigation and Hearing

Having received advice from the Department of the Treasury on May 31, 1977, that pressure sensitive plastic tape of more than one and ¾ inches in width and not exceeding 4 mils in thickness from Italy is being, or is likely to be, sold at less than fair value, the United States International Trade Commission on June 3, 1977, instituted investigation No. AA1921-167 under section 201(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)), to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States.

Hearing. A public hearing in connection with the investigation will be held in Washington, D.C. at a place to be announced later, beginning at 10 a.m. e.d.t., on Tuesday, July 26, 1977. All parties shall there and then have the right to appear by counsel or in person, to present evidence, and to be heard. Requests to appear at the public hearing, or to intervene under the provisions of section 201(d) of the Antidumping Act, 1921 (19 U.S.C. 160(d)), shall be filed with the Secretary of the Commission.

in writing, not later than noon, Thursday, July 21, 1977.

By order of the Commission.

Issued: June 6, 1977.

KENNETH R. MASON,
Secretary.

[FR Doc. 77-16370 Filed 6-8-77; 8:45 am]

[332-82]

PROBABLE DOMESTIC IMPACT OF CHANGING FROM THE CURRENT "CHIEF VALUE" METHOD OF CLASSIFYING TEXTILE IMPORTS TO A "CHIEF WEIGHT" METHOD FOR CLASSIFYING SUCH IMPORTS

Change in Location of Washington, D.C. Hearing

The location of the public hearing scheduled for Washington, D.C. on June 7, 1977, at 10:00 a.m., e.d.t., has been changed. The hearing will be held in the Commission's Hearing Room, United States International Trade Commission Building, 701 E Street, NW., Washington, D.C., rather than in the location which was announced in the Notice of Time and Place of Upcoming Hearings in New York, Los Angeles, and Washington, D.C., issued on April 28, 1977, and published in the FEDERAL REGISTER on May 3, 1977 (42 FR 22427).

By order of the Commission.

Issued: June 6, 1977.

KENNETH R. MASON,
Secretary.

[FR Doc. 77-16371 Filed 6-8-77; 8:45 am]

DEPARTMENT OF JUSTICE

**Drug Enforcement Administration
MANUFACTURE OF CONTROLLED
SUBSTANCES**

Application

Section 303 (a) (1) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 823(a) (1)) states: "The Attorney General shall register an applicant to manufacture controlled substances in schedule I or II if he determines that such registration is consistent with the public interest and with United States obligations under international treaties, conventions, or protocols in effect on the effective date of this part. In determining the public interest, the following factors shall be considered:

(1) Maintenance of effective controls against diversion of particular controlled substances and any controlled substance in schedule I or II compounded therefrom into other than legitimate medical, scientific, research, or industrial channels, by limiting the importation and bulk manufacture of such controlled substances to a number of establishments which can produce an adequate and uninterrupted supply of these substances under adequately competitive conditions for legitimate medical, scientific, research, and industrial purposes."

Pursuant to Section 1301.43 of Title 21 of the Code of Federal Regulations

(CFR), notice is hereby given that on May 16, 1977, Wyeth Laboratories, Inc., 611 E. Nield Street, West Chester, Pennsylvania 19380, made application to the Drug Enforcement Administration to be registered as a bulk manufacturer of pethidine, a basic class of controlled substance in Schedule II.

Pursuant to Section 301 of the Controlled Substances Act (21 U.S.C. 821), and in accordance with 21 CFR 1301.43 (a), notice is hereby given that the above firm has made application to the Drug Enforcement Administration to be registered as a bulk manufacturer of the basic class of controlled substance indicated, and any other such person, and any existing registered bulk manufacturer of pethidine, may file written comments on or objections to the issuance of such registration and may, at the same time, file a written request for a hearing on the application in accordance with 21 CFR 1301.54 in such form as prescribed by 21 CFR 1316.47. Such comments, objections, and requests for a hearing may be filed no later than July 11, 1977.

Comments and objections may be addressed to the DEA Federal Register Representative, Office of Chief Counsel, Drug Enforcement Administration, Room 1203, 1405 Eye Street NW., Washington, D.C. 20537.

Dated: June 2, 1977.

DONALD E. MILLER,
Acting Deputy Administrator,
Drug Enforcement Administration.

[FR Doc. 77-16347 Filed 6-8-77; 8:45 am]

**NATIONAL AERONAUTICS AND
SPACE ADMINISTRATION**

[77-43]

**NASA RESEARCH AND TECHNOLOGY ADVISORY COUNCIL, COMMITTEE ON
AERONAUTICAL PROPULSION**

Meeting

The NASA Research and Technology Advisory Council Committee on Aeronautical Propulsion will meet on June 27, 28, 29, 1977 at the Langley Research Center, Hampton, Virginia 23665. The meeting will be held in Conference Room 225, Building 1219. The meeting will be open to the public on a first-come, first-served basis, up to the seating capacity of the room which is about 35 persons. All visitors must report to the Langley Research Center Receptionist in Building 1219.

The Research and Technology Advisory Council Committee on Aeronautical Propulsion was established to advise NASA's senior management in the areas of aeronautical propulsion research and technology. The Committee studies issues, pinpoints critical problems, determines gaps in needed technology, points out desirable goals and objectives, summarizes the state of the art, assesses ongoing work, and makes recommendations to help NASA plan and carry out an aeronautical propulsion program of greatest benefit to the nation.

There are 13 members on the Aeronautical Propulsion Committee. The current Chairman is Mr. Morris A. Zipkin.

The following list sets forth the approved agenda and schedule for the meeting. For further information, please contact Mr. Harry W. Johnson, NASA Headquarters, Washington, D.C. Area Code 202-755-3003.

JUNE 27, 1977

Time	Topic
8:15 a.m.----	Introductory Remarks by Center Director, Committee Chairman, and Executive Secretary. (Purpose: To review agenda, state actions of last Research and Technology Advisory Council meeting, review NASA response to recommendations, and summarize NASA organizational, programmatic and budgetary status pertinent to committee areas of interest.)
9:00 a.m.----	Center Highlight Reports. (Purpose: To present brief summaries of the most important accomplishments in aeronautical propulsion programs by the Lewis, Langley, Ames, and Dryden Research Centers and the Jet Propulsion Laboratory since the last Committee meeting.)
10:15 a.m.----	Reports on Workshops and Conferences. (Purpose: To summarize the results of recent workshops and conferences related to aeronautical propulsion, including Fuels, Engine Rotor Failures, Emissions, Jet Noise, Centrifugal Compressors, Vertical/Short Take-off and Landing Technology.)
1:00 p.m.----	Report on Titanium Fire Research. (Purpose: To review NASA and Department of Defense activities in titanium combustion research and technology particularly as related to gas turbine engines.)
1:45 p.m.----	Aeronautical Program Planning Discussion. (Purpose: To review recent evaluation and planning activities in the aeronautics research and development program, to provide basis for Committee assessment of propulsion program objectives, emphasis and balance.)

JUNE 28, 1977

8:15 a.m.----	Hypersonic Propulsion Programs and Requirements. (Purpose: To review ongoing and planned activities in hypersonic ramjet propulsion research and technology, and discuss objectives, priorities and timeliness.)
10:10 a.m.----	Supersonic Propulsion Programs and Requirements. (Purpose: To review ongoing and planned activities in supersonic propulsion research and technology, and discuss objectives, priorities and timeliness.)

1:00 p.m.---- Computational Techniques. (Purpose: To review status of available computational techniques for external and internal aerodynamic analysis and design, and assess proposed new initiatives in this area for propulsion-related objectives.)

3:15 p.m.---- Committee Discussion. (Purpose: To permit further inquiries and elaboration of the major discussion topics, including an optional subdivision of the Committee into smaller working groups on selected areas for more extensive discussion of questions and development of issues and recommendations.)

JUNE 29, 1977

8:15 a.m.---- Committee Discussion and Recommendations. (Purpose: To continue discussion of major program elements, hear working group reports, consolidate views, develop statements of issues and recommendations to transmit to the NASA Research and Technology Advisory Council, and to plan future committee activities and next meeting.)

12:00 Noon... Adjournment

June 2, 1977.

KENNETH R. CHAPMAN,
Assistant Administrator for
DOD and Interagency Affairs,
National Aeronautics and
Space Administration.

[FR Doc.77-16233 Filed 6-8-77; 8:45 am]

NATIONAL SCIENCE FOUNDATION AD HOC ADVISORY PANEL FOR THE VERY LARGE ARRAY

Meeting

In accordance with the Federal Advisory Committee Act, Pub. L. 92-463, the National Science Foundation announces the following meeting:

Name: Ad Hoc Advisory Panel for the Very Large Array.

Date and time: June 27, 1977—9:30 a.m.

Place: Room 642, National Science Foundation, 1800 G Street NW., Washington, D.C. 20550.

Type of meeting: Open.

Contact person: Mr. Claud Kellett, Executive Secretary, Ad Hoc Advisory Panel for the Very Large Array, Room 618, National Science Foundation, Washington, D.C. 20550, Telephone 202-632-7340. Anyone who plans to attend should notify Mr. Kellett prior to the meeting.

Summary minutes: May be obtained from the Committee Management Coordination Staff, Room 248, National Science Foundation, Washington, D.C. 20550.

Purpose of panel: To advise the Director of the National Science Foundation concerning the management and future planning of the Very Large Array Program of the National Radio Astronomy Observatory.

Agenda: 9:30—Review Reports and Recommendations of Committee on Science and Technology of U.S. House of Representatives. 10:30—Break. 10:40—Discussion of

VLA Computer Hardware and Software Status and Plan. Noon—Recess. 1:30—Invited Discussion by Potential VLA Users of long-range Planning Requirements. 2:15—Contractor Presentation of In-House Quality Assurance Program for Electronics. 3—Break. 3:15—Additional Long-range Planning Presentations. 4:30—Adjourn.

M. REBECCA WINKLER,
Acting Committee
Management Officer.

JUNE 6, 1977.

[FR Doc.77-16247 Filed 6-8-77; 8:45 am]

INTERNATIONAL DECADE OF OCEAN EXPLORATION PROPOSAL REVIEW PANEL

Meeting

In accordance with the Federal Advisory Act, as amended, Pub. L. 92-463, the National Science Foundation announces the following meeting:

Name: Proposal Review Panel for the Office for the International Decade of Ocean Exploration, Ad Hoc Subpanel for the CLIMAP Project.

Date and time: June 27-28, 1977—9 a.m. to 5 p.m. each day.

Place: Lamont-Hall, Lamont-Doherty Geological Observatory, Palisades, New York 10964.

Type of meeting: Closed.

Contact person: Mr. Feenan D. Jennings, Head, Office for the International Decade of Ocean Exploration, Room 605, National Science Foundation, Washington D.C. 20550, telephone 202-632-7356.

Purpose of panel: To provide the IDOE Proposal Review Panel members with additional expertise in the review and evaluation of proposals relating to oceanographic research related to Climate: Long-range investigations, mapping, and prediction (CLIMAP).

Agenda: Detailed review and evaluation of renewal proposals for support of the CLIMAP Project.

Reason for closing: The proposals being reviewed included information of a proprietary or confidential nature, including technical information; financial data, such as salaries; and personal information concerning individuals associated with the proposals. These matters are within exemptions (4) and (6) of 5 U.S.C. 552b(c), Government in the Sunshine Act.

Authority to close meeting: This determination was made by the Committee Management Officer pursuant to provisions of Section 10(d) of Pub. L. 92-463. The Committee Management Officer was delegated the authority to make such determinations by the Acting Director, NSF, on February 18, 1977.

M. REBECCA WINKLER,
Acting Committee
Management Officer.

JUNE 6, 1977.

[FR Doc.77-16248 Filed 6-8-77; 8:45 am]

NUCLEAR REGULATORY COMMISSION ADVISORY COMMITTEE ON REACTOR SAFEGUARDS

Meeting

The meeting notice for the subject meeting to be held on June 9-11, 1977 (published on May 23, 1977—FEDERAL REGISTER Volume 42, No. 99) is revised

as detailed below. This revision involves the rescheduling of the ACRS meeting with the NRC Commissioners from the afternoon session (1:30 P.M.—2:30 P.M.) of June 10, 1977 to the morning session (10:30 A.M.—11:30 A.M.) and related rearrangement of previously scheduled items.

FRIDAY, JUNE 10, 1977

8:30 A.M.—9:15 A.M.: Executive Session (Closed)—The Committee will prepare a letter to the Commonwealth of Pennsylvania regarding the Shippingport Atomic Power Station. The Committee will hear and discuss comments by ACRS members regarding information provided in confidence by a foreign government.

9:15 A.M.—10:00 A.M.: Executive Session (Open)—The Committee will hear and discuss the reports of ACRS Subcommittees and Working Groups regarding various generic matters including:

Fluid-hydraulic dynamic forces in primary and secondary systems.

Reactor fuel performance and surveillance.

Review of Reactor Safety Research Programs.

10:00 A.M.—11:00 A.M.: Meeting with NRC Commissioners (Open)—The Committee will discuss with the Commissioners a periodic report by the ACRS regarding regulatory matters which should be brought to the attention of the Commissioners.

11:00 A.M.—1:00 P.M. and 2:00 P.M.—2:45 P.M.: Meeting with NRC Staff (Open)—The Committee will hear presentations and hold discussions with members of the NRC Staff regarding recent operating experience at nuclear facilities, recent licensing actions, generic matters related to reactor licensing and the future schedule for ACRS activities. This discussion will include:

Status of construction at the North Anna Nuclear Power Station Units 1 and 2.

Equipment performance at the Rancho Seco and Beaver Valley nuclear plants.

Reclassification of the turbine trip without bypass transient.

Seismic investigations at the San Onofre and Nine Mile Point nuclear plants.

2:45 P.M.—4:30 P.M.: Executive Session (Open)—The Committee will prepare its report to the NRC on the Zion Station Units 1 and 2. The Committee will also discuss proposed comments regarding NRC General Design Criterion No. 19.

4:30 P.M.—6:30 P.M.: Executive Session (Open/Closed) — The Committee will meet in closed session to prepare a letter to the Commonwealth of Pennsylvania regarding the Shippingport Atomic Power Station. In the event a report to NRC is required on this project it will be prepared in open session.

I have determined that in accordance with Subsection 10(d) of Public Law 92-463 that it is necessary to close the portion of the meeting at which the ACRS will discuss the proposed legislation and formulate its comments thereon to avoid

premature disclosure of information which would significantly frustrate proposed Committee/agency action (5 U.S.C. 552b.(c) (9) (B)). Separation of factual information and information considered exempt from disclosure under Exemption (9) (B) during this portion of the meeting is not considered practical.

Dated: June 3, 1977.

JOHN C. HOYLE,
Advisory Committee
Management Officer.

[FR Doc.77-16111 Filed 6-8-77;8:45 am]

[Docket No. 50-551; License No. XR-110]

GENERAL ELECTRIC CO.

Issuance of License

Please take notice that no request for a hearing or a petition for leave to intervene having been filed following publication of notice of proposed action in the FEDERAL REGISTER on November 24, 1975 (Page 54476) and the Nuclear Regulatory Commission having found that:

(a) The application filed by General Electric Company, Docket Number 50-551, complies with the requirements of the Act, and the Commission's regulations set forth in Title 10, Chapter I, Code of Federal Regulations, and

(b) The reactors proposed to be exported are utilization facilities as defined in said Act and regulations.

the Commission has issued License No. XR-110 to General Electric Company, San Jose, California, authorizing the export of two power reactors with a thermal power level of 2894 megawatts each to Central Nuclear De Valdecaballeros, Madrid, Spain.

These reactors to Spain are within the purview of the Agreement for Cooperation Between the Government of the United States of America and the Government of Spain.

Dated at Bethesda, Maryland this 27th day of May 1977.

For the Nuclear Regulatory Commission.

MICHAEL A. GUHIN,
Assistant Director, Export Im-
port and International Safe-
guards, Office of International
Programs.

[FR Doc.77-16114 Filed 6-8-77;8:45 am]

[Docket Nos. 50-510 and 50-511]

GULF STATES UTILITIES CO. BLUE HILLS STATION, UNIT NOS. 1 AND 2

Availability of Draft Environmental Statement and Notice of Docketing of Applicant's Environmental Report, Relating to Early Site Review

Pursuant to the National Environmental Policy Act of 1969 and the United States Nuclear Regulatory Commission's regulations in 10 CFR Part 51, notice is hereby given that a Draft Environmental Statement (NUREG-0276) prepared by the Commission's Office of Nuclear Reactor Regulation related to

the suitability of Site G proposed for eventual construction of the Blue Hills Station, Unit Nos. 1 and 2 in Newton County, Texas is available for inspection by the public in the Commission's Public Document Room at 1717 H Street, NW., Washington, D.C. and in the Newton County Public Library, Newton, Texas 77034. The Draft Statement is also being made available at the Deep East Texas Development Council, 272 E. Lamar Street, Jasper, Texas 75951. Requests for copies of the Draft Environmental Statement should be addressed to the U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, Attention: Director, Division of Document Control.

The Applicant's Environmental Report, as supplemented, submitted by Gulf States Utilities Company is also available for public inspection at the above-designated locations. Notice of availability of the Applicant's Environmental Report was published in the FEDERAL REGISTER on September 20, 1976 (41 FR 40537).

On May 5, 1977, the U.S. Nuclear Regulatory Commission published in the FEDERAL REGISTER (42 FR 22882) new rules concerning Early Site Reviews and Limited Work Authorizations. However, the applicant's environmental report was docketed for early site review on August 26, 1976 and its availability was noticed in the FEDERAL REGISTER on September 20, 1976 (41 FR 40537). The materials submitted at that time did not contain proposed findings on issues of site suitability on which the applicant requested review. Consequently, the applicant has been notified that proposed findings submitted in accordance with 10 CFR 2.101(a-1) will be required on or before August 31, 1977.

Pursuant to 10 CFR Part 51, interested persons may submit comments on the Draft Environmental Statement for the Commission's consideration. Federal, State, and specified local agencies are being provided with copies of the Draft Environmental Statement. Other interested persons may obtain this document upon request.

Federal, State, and specified local agencies are requested to submit comments on the continuation or the outcome of this early site review, and on the NRC's Draft Environmental Statement. Comments are due by July 25, 1977.

Comments from Federal, State, and local officials, or other persons received by the Commission will be made available for public inspection at the Newton County Public Library, Newton, Texas. Upon consideration of comments submitted with respect to the Draft Environmental Statement, the Commission's staff will prepare a Final Environmental Statement, the availability of which will be published in the FEDERAL REGISTER.

Comments on the Draft Environmental Statement and the Applicant's Environmental Report from interested persons of the public should be addressed to the U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, Attention:

Director, Division of Site Safety and Environmental Analysis.

A notice of Hearing is being published separately setting forth the radiological and environmental issues to be considered during the early site review. A date for submitting Petitions for Leave to Intervene will be set forth in the notice of Hearing.

Dated at Rockville, Maryland this 31st day of May 1977.

For the Nuclear Regulatory Commission.

GEORGE W. KNIGHTON,
Chief, Environmental Projects
Branch 1, Division of Site
Safety and Environmental
Analysis.

[FR Doc.77-16112 Filed 6-8-77;8:45 am]

REGULATORY GUIDE

Issuance and Availability

The Nuclear Regulatory Commission has issued a new guide in its Regulatory Guide Series. This series has been developed to describe and make available to the public methods acceptable to the NRC staff of implementing specific parts of the Commission's regulations and, in some cases, to delineate techniques used by the staff in evaluating specific problems or postulated accidents and to provide guidance to applicants concerning certain of the information needed by the staff in its review of applications for permits and licenses.

Regulatory Guide 2.5, "Quality Assurance Program Requirements for Research Reactors," describes a method acceptable to the NRC staff of complying with the Commission's regulations with regard to over all quality assurance program requirements for research reactors. This guide endorses ANSI Standard N402-1976, "Quality Assurance Program Requirements for Research Reactors."

Comments and suggestions in connection with (1) items for inclusion in guides currently being developed or (2) improvements in all published guides are encouraged at any time. Public comments on Regulatory Guide 2.5 will, however, be particularly useful in evaluating the need for an early revision if received by August 5, 1977.

Comments should be sent to the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, Attention: Docketing and Service Branch.

Regulatory guides are available for inspection at the Commission's Public Document Room, 1717 H Street NW., Washington, D.C. Requests for single copies of issued guides (which may be reproduced) or for placement on an automatic distribution list for single copies of future guides in specific divisions should be made in writing to the U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, Attention: Director, Division of Document Control. Telephone requests cannot be accommodated. Regulatory guides are not copyrighted, and Commis-

sion approval is not required to reproduce them.

(5 U.S.C. 552(a).)

Dated at Rockville, Maryland this 1st day of June 1977.

ROBERT B. MINOGUE,

Director,

Office of Standards Development.

[FR Doc.77-16116 Filed 6-8-77;8:45 am]

[Docket No. 50-334]

DUQUESNE LIGHT CO., ET AL., OHIO Edison COMPANY, AND PENNSYLVANIA POWER COMPANY; (BEAVER VALLEY POWER STATION, UNIT 1)

Reconstitution of Board

Daniel M. Head, Esq., was Chairman of the Atomic Safety and Licensing Board for the above proceeding. Because he is transferring to another government agency, Mr. Head is unable to continue his service on this Board.

Accordingly, Ivan W. Smith, Esq., whose address is Atomic Safety and Licensing Board Panel, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, is appointed Chairman of this Board. Reconstitution of the Board in this manner is in accordance with Section 2.721 of the Commission's Rules of Practice, as amended.

Dated at Bethesda, Maryland, this 2nd day of June, 1977.

JAMES R. YORE,

Chairman, Atomic Safety and Licensing Board Panel.

[Docket No. 50-584]

EXXON NUCLEAR COMPANY, INC. (NUCLEAR FUEL RECOVERY AND RECYCLING CENTER)

Assignment of Atomic Safety and Licensing Appeal Board

Notice is hereby given that, in accordance with the authority in 10 CFR § 2.787 (a), the Chairman of the Atomic Safety and Licensing Appeal Panel has assigned the following panel members to serve as the Atomic Safety and Licensing Appeal Board for this proceeding:

Jerome E. Sharfman, Chairman
Richard S. Salzman
Dr. W. Reed Johnson

Dated: June 3, 1977.

MARGARET E. DU FLO,

Secretary to the Appeal Board.

[FR Doc.77-16220 Filed 6-8-77;8:45 am]

[Docket No. 50-389A]

FLORIDA POWER & LIGHT CO., (ST. LUCIE, UNIT NO. 2)

Order

JUNE 2, 1977.

This Board will hear oral argument at 9:30 a.m. on Friday, June 10, 1977 on applicant Florida Power & Light Com-

pany's appeal from the Licensing Board's order of April 5, 1977 granting certain Florida cities leave to intervene out of time and ordering an antitrust hearing be held. The argument will be held in the Commission's Public Hearing Room on the fifth floor of the East-West Towers building, 4350 East West Highway, Bethesda, Maryland.

Having perused the briefs of all parties, the Board expects the intervenors and the staff to be prepared at argument to discuss, chapter and verse, the applicant's conduct and the economic circumstances since December 28, 1973, asserted to constitute the excuse for the late filing of the petition to intervene. Argument will be presented in the following order:

(1) Intervenor and the staff, one and one-half hours in total, to be shared equally unless some other division is agreed upon;

(2) The applicant, one and one-half hours.

The intervenors and the staff may reserve a portion of their allotted time for rebuttal; no party need use its entire allotment.

Each party shall provide the Secretary to this Board in writing no later than June 6, 1977, with the name of counsel who will present argument in its behalf.

It is so ordered.

For the Atomic Safety and Licensing Appeal Board.

MARGARET E. DU FLO,

Secretary to the
Appeal Board.

[FR Doc.77-16221 Filed 6-8-77;8:45 am]

[Docket No. 50-389-A]

FLORIDA POWER & LIGHT CO., (ST. LUCIE PLANT, UNIT 2)

Reconstitution of Board

Daniel M. Head, Esq., was a member of the Atomic Safety and Licensing Board for the above proceeding. Because he is transferring to another government agency, Mr. Head is unable to continue his service on this Board.

Accordingly, Robert M. Lazo, Esq., whose address is Atomic Safety and Licensing Board Panel, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, is appointed a member of this Board. Reconstitution of the Board in this manner is in accordance with § 2.721 of the Commission's rules of practice, as amended.

Dated at Bethesda, Maryland, this 2nd day of June, 1977.

JAMES R. YORE,

Chairman, Atomic Safety
and Licensing Board Panel.

[FR Doc.77-16223 Filed 6-8-77;8:45 am]

[Docket No. P-636-A]

FLORIDA POWER & LIGHT CO., (SOUTH DADE PLANT)

Reconstitution of Board

Daniel M. Head, Esq., was a member of the Atomic Safety and Licensing Board for the above proceeding. Because he is transferring to another government agency, Mr. Head is unable to continue his service on this Board.

Accordingly, Robert M. Lazo, Esq., whose address is Atomic Safety and Licensing Board Panel, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, is appointed a member of this Board. Reconstitution of the Board in this manner is in accordance with Section 2.721 of the Commission's rules of practice, as amended.

Dated at Bethesda, Maryland, this 2nd day of June, 1977.

JAMES R. YORE,

Chairman, Atomic Safety
and Licensing Board Panel.

[FR Doc.77-16224 Filed 6-8-77;8:45 am]

POWER AUTHORITY OF THE STATE OF NEW YORK

Joint Notice of Hearing Schedule

In the matter of Power Authority of the state of New York, (Greene County Nuclear Power Plant); Docket No. 50-549; State of New York Department of Public Service Board on Electric Generation Siting and the Environment.

In the matter of the application of the Power Authority of the State of New York (Greene County Nuclear Generating Facility); Case 80006; joint notice of hearing schedule.

An Atomic Safety and Licensing Board of the United States Nuclear Regulatory Commission (Commission) and a Presiding Examiner and an Associate Examiner of the Board on Electric Generation Siting and the Environment of the State of New York (Siting Board) will conduct joint hearings at the times set forth in the following schedule:¹

- (1) July 18 thru July 22.
- (2) July 25 thru July 29.
- (3) August 1 thru August 5.
- (4) August 22 thru August 26.
- (5) August 29 thru September 2.
- (6) September 26 thru September 30.
- (7) October 3 thru October 7.
- (8) October 25 thru October 28.

All hearings will take place at the offices of the Public Service Commission, Agency Building 3, Empire State Plaza, Albany, New York.

The subject matters, at issue, will be heard in the order set out below:

- (1) Alternative Sources of Power.
- (2) Alternate Sites.
- (3) Geology and Seismology.
- (4) Noise.

¹ Hearings on Mondays will begin at 1:00 p.m. All other hearings will begin at 9:30 a.m.

- (5) Engineering Design Cost Analysis—Engineering General and Cost.
 (6) Aquatic Ecology.
 (7) Solid and Liquid Wastes—Water Quality and Quantity.
 (8) Terrestrial Ecology.
 (9) Meteorology and Air Quality.
 (10) Land Use and Aesthetics—Social and Economic Impacts—Aesthetic Effects on Environment.
 (11) Waste Heat.
 (12) Need for Power and Conformance to Long-Range Plan.

- (13) Decommissioning.
 (14) Emergency Procedures.
 (15) Engineering and Safety Design Considerations.
 (16) Exclusive Area.
 (17) Radiological.
 (18) Security Requirements.

The following schedule is adopted for service of PASNY's written testimony, interrogatories, and interrogatory responses:

Geology and seismology	June 13	June 27	July 8
Need for power—conformance to long-range plan	do	do	Do.
Engineering design cost analysis—engineering general and cost	do	do	Do.
Aquatic ecology	do	do	Do.
Solid and liquid wastes—water quality and quantity	June 27	July 8	July 18
Terrestrial ecology	do	do	Do.
Meteorology and air quality	do	do	Do.
Land use and aesthetics—social and economic impacts—aesthetic effects on environment	do	do	Do.
Alternative uses of waste heat	July 8	July 22	Aug. 5
Need for power—conformance to long-range plan	do	do	Do.
Decommissioning	July 22	Aug. 5	Aug. 19
Emergency procedures	do	do	Do.
Engineering safety design considerations	do	do	Do.
Exclusive area	do	do	Do.
Radiological	do	do	Do.
Security requirements	do	do	Do.

All written testimony and interrogatory responses are to be signed by the person or persons who prepared them and, where appropriate, are to be footnoted to the source upon which based.

It is so ordered.

Dated at Bethesda, Maryland, this 2nd day of June, 1977.

For the Atomic Safety and Licensing Board.

JOHN F. WOLF,
Chairman.

For the New York State Siting Board.

EDWARD D. COHEN,
Presiding Examiner.

[PR Doc.77-16225 Filed 6-8-77;8:45 am]

[Docket Nos. STN 50-556 and STN 50-557]

PUBLIC SERVICE COMPANY OF OKLAHOMA, ASSOCIATED ELECTRIC CO-OPERATIVE, INC. AND WESTERN FARMERS ELECTRIC CO-OPERATIVE, INC., (BLACK FOX STATION, UNITS 1 AND 2)

Reconstitution of Board

Daniel M. Head, Esq., was Chairman of the Atomic Safety and Licensing Board for the above proceeding. Because he is transferring to another government agency, Mr. Head is unable to continue his service on this Board.

Accordingly, Sheldon J. Wolfe, Esq., whose address is Atomic Safety and Licensing Board Panel, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, is appointed Chairman of this Board. Reconstitution of the Board in this manner is in accordance with Section 2.721 of the Commission's Rules of Practice, as amended.

Dated at Bethesda, Maryland, this 2nd day of June 1977.

JAMES R. YORE,
Chairman, Atomic Safety and
Licensing Board Panel.

[PR Doc.77-16226 Filed 6-8-77;8:45 am]

[Docket No. 50-540; License No. XR-107]

WESTINGHOUSE ELECTRIC CORP.

Issuance of Facility Export License

Please take notice that no request for a hearing or a petition for leave to intervene having been filed following publication of notice of proposed action in the FEDERAL REGISTER on August 4, 1975 (Page 32797) and the Nuclear Regulatory Commission having found that:

(a) The application filed by Westinghouse Electric Corporation, Docket Number 50-540, complies with the requirements of the Act, and the Commission's regulations set forth in Title 10, Chapter I, Code of Federal Regulations, and

(b) The reactor proposed to be exported is a utilization facility as defined in said Act and regulations,

the Commission has issued License No. XR-107 to Westinghouse Electric Corporation, Pittsburgh, Pennsylvania, authorizing the export of a power reactor with a thermal power level of 1876 megawatts to Nuklearna Elektrarna Krsko, Julija, Yugoslavia.

The export of this reactor to Yugoslavia is within the purview of an Agreement between the International Atomic Energy Agency and the Government of the Socialist Federal Republic of Yugoslavia and is subject to all the terms and conditions of the Agreement for Cooperation between the IAEA and the United States.

Dated at Bethesda, Maryland this 2nd day of June 1977.

For the Nuclear Regulatory Commission.

MICHAEL A. GUHIN,
Assistant Director, Export/Import and International Safeguards, Office of International Programs.

[PR Doc.77-16227 Filed 6-8-77;8:45 am]

ADVISORY COMMITTEE ON REACTOR SAFEGUARDS, SUBCOMMITTEE ON THE ARKANSAS NUCLEAR ONE, UNIT 2, NUCLEAR POWER PLANT

Meeting

In accordance with the purposes of Sections 29 and 182b. of the Atomic Energy Act (42 U.S.C. 2039, 2232(b)), the ACRS Subcommittee on the Arkansas Nuclear One, Unit 2, Nuclear Power Plant will hold an open meeting on June 24, 1977 at the Holiday Inn, Highway 7 and I-40, Russellville, AR 72801. The purpose of this meeting is to review some of the site-related portions of the application of the Arkansas Power and Light Company for a license to operate the plant.

The agenda for subject meeting shall be as follows:

FRIDAY, JUNE 24, 1977

8:30 A.M. TO 8:45 A.M.

The Subcommittee, with any of its consultants who may be present, will meet in Executive Session to exchange opinions and discuss preliminary views and recommendations relating to the above evaluation.

8:45 A.M. UNTIL THE CONCLUSION OF BUSINESS

The Subcommittee will hear presentations by representatives of the Arkansas Power and Light Company, the NRC Staff, and their consultants, and will hold discussions with these groups pertinent to its review.

At the conclusion of these sessions, the Subcommittee may caucus to determine whether the matters identified in the Executive Session have been adequately covered.

Practical considerations may dictate alterations in the above agenda or schedule. The Chairman of the Subcommittee is empowered to conduct the meeting in a manner that, in his judgment, will facilitate the orderly conduct of business, including provisions to carry over an incomplete open session from one day to the next.

The Advisory Committee on Reactor Safeguards is an independent group established by Congress to review and report on each application for a construction permit and on each application for an operating license for a reactor facility and on certain other nuclear safety matters. The Committee's reports become a part of the public record. Although ACRS meetings are ordinarily open to the public and provide for oral or written statements to be considered as a part of the Committee's information gathering procedure concerning the health and safety of the public, they are not adjudicatory type hearings such as are conducted by the Nuclear Regulatory Commission's Atomic Safety & Licensing Board as part of the Commission's licensing process. ACRS meetings do not normally treat matters pertaining to environmental impacts outside the safety area.

With respect to public participation in the open portion of the meeting, the following requirements shall apply:

(a) Persons wishing to submit written statements regarding the agenda may do so by providing 15 readily reproducible copies to the Subcommittee at the beginning of the meeting. Comments should be limited to safety related areas within the Committee's purview.

Persons desiring to mail written comments may do so by sending a readily reproducible copy thereof in time for consideration at this meeting. Comments postmarked no later than June 17, 1977, to Mr. Gary Quittschreiber, ACRS, NRC, Washington, DC 20555, will normally be received in time to be considered at this meeting.

Background information concerning items to be considered at this meeting can be found in documents on file and available for public inspection at the NRC Public Document Room, 1717 H St., N.W., Washington, DC 20555, and at the Arkansas Polytechnic College, Russellville, AR 72801.

(b) Persons desiring to make an oral statement at the meeting should make a written request to do so, identifying the topics and desired presentation time so that appropriate arrangements can be made. The Subcommittee will receive oral statements on topics relevant to its purview at an appropriate time chosen by the Chairman.

(c) Further information regarding topics to be discussed, whether the meeting has been cancelled or rescheduled, the Chairman's ruling on requests for the opportunity to present oral statements and the time allotted therefor can be obtained by a prepaid telephone call on June 22, 1977 to the Office of the Executive Director of the Committee (telephone 202/634-1374, Attn: Mr. Gary Quittschreiber) between 8:15 a.m. and 5:00 p.m. EDT.

(d) Questions may be propounded only by members of the Subcommittee and its consultants.

(e) The use of still, motion picture, and television cameras, the physical installation and presence of which will not interfere with the conduct of the meeting, will be permitted both before and after the meeting and during any recess. The use of such equipment will not, however, be allowed while the meeting is in session. Recordings will be permitted only during those sessions of the meeting when a transcript is being kept.

(f) A copy of the transcript of the portion(s) of the meeting where factual information is presented will be available for inspection on or after July 1, 1977 at the NRC Public Document Room, 1717 H St., N.W., Washington, DC 20555, and at the Arkansas Polytechnic College, Russellville, AR 72801.

Copies of the minutes of the meeting will be made available for inspection at the NRC Public Document Room, 1717 H St., N.W., Washington, D.C. 20555 after September 26, 1977.

Copies may be obtained upon payment of appropriate charges.

Dated: June 7, 1977.

JOHN C. HOYLE,
Advisory Committee
Management Officer.

[PR Doc.77-16544 Filed 6-8-77;8:45 am]

ADVISORY COMMITTEE ON REACTOR SAFEGUARDS, SUBCOMMITTEE ON DECOMMISSIONING OF NUCLEAR PLANTS

Meeting

In accordance with the purposes of Sections 29 and 182b. of the Atomic Energy Act (42 U.S.C. 2039, 2232b.), the ACRS Subcommittee on Decommissioning of Nuclear Plants will hold an open meeting on June 29, 1977 in Room 1046, 1717 H Street, NW, Washington, D.C. 20555. The purpose of this meeting is to review current plans for decommissioning nuclear power plants.

The agenda for subject meeting shall be as follows:

WEDNESDAY, JUNE 29, 1977

8:30 A.M. UNTIL THE CLOSE OF BUSINESS

The Subcommittee, with any of its consultants who may be present, will meet in Executive Session to explore their preliminary opinions regarding matters which should be considered.

At the conclusion of the Executive Session, the Subcommittee will hear presentations by representatives of the NRC Staff, the Atomic Industrial Forum, the Energy Research and Development Administration, and their consultants, and will hold discussions with these groups pertinent to the above review.

At the conclusion of these sessions, the Subcommittee may caucus to determine whether the matters identified in the Executive Sessions have been adequately covered and whether the project is ready for review by the full Committee.

Practical considerations may dictate alterations in the above agenda or schedule. The Chairman of the Subcommittee is empowered to conduct the meeting in a manner that, in his judgment, will facilitate the orderly conduct of business, including provisions to carry over an incomplete open session from one day to the next.

The Advisory Committee on Reactor Safeguards is an independent group established by Congress to review and report on each application for a construction permit and on each application for an operating license for a reactor facility and on certain other nuclear safety matters. The Committee's reports become a part of the public record. Although ACRS meetings are ordinarily open to the public and provide for oral or written statements to be considered as a part of the Committee's information gathering procedure concerning the health and safety of the public, they are not adjudicatory type hearings such as are conducted by the Nuclear Regulatory

Commission's Atomic Safety & Licensing Board as part of the Commission's licensing process. ACRS meetings do not normally treat matters pertaining to environmental impacts outside the safety area.

With respect to public participation in the open portion of the meeting, the following requirements shall apply:

(a) Persons wishing to submit written statements regarding the agenda may do so by providing a readily reproducible copy to the Subcommittee at the beginning of the meeting. Comments should be limited to safety related areas within the Committee's purview.

Persons desiring to mail written comments may do so by sending a readily reproducible copy thereof in time for consideration at this meeting. Comments postmarked no later than June 22, 1977 to Mr. Ragnwald Muller, ACRS, NRC, Washington, DC 20555, will normally be received in time to be considered at this meeting.

(b) Persons desiring to make an oral statement at the meeting should make a written request to do so, identifying the topics and desired presentation time so that appropriate arrangements can be made. The Subcommittee will receive oral statements on topics relevant to its purview at an appropriate time chosen by the Chairman.

(c) Further information regarding topics to be discussed, whether the meeting has been cancelled or rescheduled, the Chairman's ruling on requests for the opportunity to present oral statements and the time allotted therefor can be obtained by a prepaid telephone call on June 28, 1977 to the Office of the Executive Director of the Committee (telephone 202-634-1413, Attn: Mr. Ragnwald Muller) between 8:15 a.m. and 5:00 p.m. EDT.

(d) Questions may be propounded only by members of the Subcommittee and its consultants.

(e) The use of still, motion picture, and television cameras, the physical installation and presence of which will not interfere with the conduct of the meeting, will be permitted both before and after the meeting and during any recess. The use of such equipment will not, however, be allowed while the meeting is in session. Recordings will be permitted only during those sessions of the meeting when a transcript is being kept.

(f) A copy of the transcript of the portion(s) of the meeting where factual information is presented will be available for inspection on or after July 8, 1977 at the NRC Public Document Room, 1717 H St., N.W., Washington, DC 20555.

A copy of the minutes of the meeting will be made available for inspection at the NRC Public Document Room, 1717 H St., N.W., Washington, DC 20555 after September 29, 1977.

Copies may be obtained upon payment of appropriate charges.

Dated: June 7, 1977.

JOHN C. HOYLE,
Advisory Committee
Management Officer.

[FR Doc. 77-16545 Filed 6-8-77; 8:45 am]

ADVISORY COMMITTEE ON REACTOR SAFEGUARDS, SUBCOMMITTEE ON FLUOR-PIONEER BALANCE OF PLANT STANDARD SAFETY ANALYSIS REPORT

Meeting

In accordance with the purposes of Sections 29 and 182b. of the Atomic Energy Act (42 U.S.C. 2039, 2232 b.), the ACRS Subcommittee on Fluor-Pioneer Balance of Plant Standard Safety Analysis Report (BOPSSAR) will hold an open meeting on June 27, 1977 in Room 1046, 1717 H Street NW., Washington, D.C. 20555. The purpose of this meeting is to review the application of Fluor-Pioneer for preliminary design approval of their proposed standard balance-of-plant design (BOPSSAR).

The agenda for subject meeting shall be as follows:

MONDAY, JUNE 27, 1977

8:30 A.M. TO 9 A.M.

The Subcommittee, with any of its consultants who may be present, will meet in Executive Session to exchange opinions and discuss preliminary views and recommendations relating to the above evaluation.

9 A.M. UNTIL CONCLUSION OF BUSINESS

The Subcommittee will hear presentations by representatives of Fluor-Pioneer, the NRC Staff, and their consultants, and will hold discussions with these groups pertinent to its review.

Practical considerations may dictate alterations in the above agenda. The Chairman is empowered to conduct the meeting in a manner that, in his judgment, will facilitate the orderly conduct of business, including provisions to carry over an incomplete session from one day to the next.

The Advisory Committee on Reactor Safeguards is an independent group established by Congress to review and report on each application for a construction permit and on each application for an operating license for a reactor facility and on certain other nuclear safety matters. The Committee's reports become a part of the public record. Although ACRS meetings are ordinarily open to the public and provide for oral or written statements to be considered as a part of the Committee's information gathering procedure concerning the health and safety of the public, they are not adjudicatory type hearings such as are conducted by the Nuclear Regulatory Commission's Atomic Safety & Licensing Board as part of the Commission's licensing process. ACRS meetings do not normally treat matters pertaining to environmental impacts outside the safety area.

With respect to public participation in the meeting, the following requirements shall apply:

(a) Persons wishing to submit written statements regarding the agenda may do so by providing a readily reproducible copy to the Subcommittee at the beginning of the meeting. Comments should be limited to safety related areas within the Committee's purview.

Persons desiring to mail written comments may do so by sending a readily reproducible copy thereof in time for consideration at this meeting. Comments postmarked no later than June 20, 1977 to Mr. Elpidio Igne, ACRS, NRC, Washington, D.C. 20555, will normally be received in time to be considered at this meeting.

(b) Persons desiring to make an oral statement at the meeting should make a written request to do so, identifying the topics and desired presentation time so that appropriate arrangements can be made. The Subcommittee will receive oral statement on topics relevant to its purview at an appropriate time chosen by the Chairman.

(c) Further information regarding topics to be discussed, whether the meeting has been cancelled or rescheduled, the Chairman's ruling on requests for the opportunity to present oral statements and the time allotted therefor can be obtained by a prepaid telephone call on June 24, 1977 to the Office of the Executive Director of the Committee, telephone 202-634-1371, Attention: Mr. Elpidio Igne, between 8:15 a.m. and 5 p.m. E.D.T.

(d) Questions may be propounded only by members of the Subcommittee and its consultants.

(e) The use of still, motion picture, and television cameras, the physical installation and presence of which will not interfere with the conduct of the meeting, will be permitted both before and after the meeting and during any recess. The use of such equipment will not, however, be allowed while the meeting is in session. Recordings will be permitted only during those sessions of the meeting when a transcript is being kept.

(f) A copy of the transcript of the meeting where factual information is presented and a copy of the minutes of the meeting will be available for inspection on or after July 5, 1977 and September 27, 1977, respectively, at the NRC Public Document Room, 1717 H Street, NW., Washington, D.C. 20555.

Copies may be obtained upon payment of appropriate charges.

Dated: June 7, 1977.

JOHN C. HOYLE,
Advisory Committee
Management Officer.

[FR Doc. 77-16543 Filed 6-8-77; 8:45 am]

ADVISORY COMMITTEE ON REACTOR SAFEGUARDS, SUBCOMMITTEE ON THE SAN JOAQUIN NUCLEAR PROJECT

Meeting

In accordance with the purposes of Sections 29 and 182b. of the Atomic En-

ergy Act (42 U.S.C. 2039, 2232b.), the ACRS Subcommittee on the San Joaquin Nuclear Project will hold an open meeting on June 24, at the Ambassador-at-the-Hilton, 3535 Rosedale Avenue, Bakersfield, Calif. 93301. The purpose of this meeting is to review the application of the Los Angeles Department of Water and Power for an early site review on geology, seismology, and hydrology.

The agenda for subject meeting shall be as follows:

FRIDAY JUNE 24, 1977

8:30 A.M. TO 9 A.M.

The Subcommittee, with any of its consultants who may be present, will meet in Executive Session to explore their preliminary opinions, based upon their independent review of safety reports, regarding matters which should be considered in order to formulate a report and recommendations to the full Committee.

9 A.M. TO CONCLUSION OF BUSINESS

The Subcommittee will hear presentations by representatives of the Los Angeles Department of Water and Power, the NRC Staff, and their consultants, and will hold discussions with these groups pertinent to this review.

At the conclusion of these sessions, the Subcommittee may caucus to determine whether the matters identified in the Executive Sessions have been adequately covered and whether the project is ready for review by the full Committee. Upon conclusion of this caucus, the Subcommittee will announce its determination.

Practical considerations may dictate alterations in the above agenda or schedule. The Chairman of the Subcommittee is empowered to conduct the meeting in a manner that, in his judgment, will facilitate the orderly conduct of business, including provisions to carry over an incomplete open session from one day to the next.

The Advisory Committee on Reactor Safeguards is an independent group established by Congress to review and report on each application for a construction permit and on each application for an operating license for a reactor facility and on certain other nuclear safety matters. The Committee's reports become a part of the public record. Although ACRS meetings are ordinarily open to the public and provide for oral or written statements to be considered as a part of the Committee's information gathering procedure concerning the health and safety of the public, they are not adjudicatory type hearings such as are conducted by the Nuclear Regulatory Commission's Atomic Safety and Licensing Board as part of the Commission's licensing process. ACRS meetings do not normally treat matters pertaining to environmental impacts outside the safety area.

With respect to public participation in the open portion of the meeting, the following requirements shall apply:

(a) Persons wishing to submit written statements regarding the agenda may do

so by providing 15 readily reproducible copies to the Subcommittee at the beginning of the meeting. Comments should be limited to safety related areas within the Committee's purview.

Persons desiring to mail written comments may do so by sending a readily reproducible copy thereof in time for consideration at this meeting. Comments postmarked no later than June 17, 1977 to Dr. Andrew L. Bates, ACRS, NRC, Washington, D.C. 20555, will normally be received in time to be considered at this meeting.

Background information concerning items to be considered at this meeting can be found in documents on file and available for public inspection at the NRC Public Document Room, 1717 H Street NW., Washington, D.C. 20555, and at the Kern County Library, 1315 Truxton Avenue, Bakersfield, Calif. 93301.

(b) Persons desiring to make an oral statement at the meeting should make a written request to do so, identifying the topics and desired presentation time so that appropriate arrangements can be made. The Subcommittee will receive oral statements on topics relevant to its purview at an appropriate time chosen by the Chairman.

(c) Further information regarding topics to be discussed, whether the meeting has been cancelled or rescheduled, the Chairman's ruling on requests for the opportunity to present oral statements and the time allotted therefor can be obtained by a prepaid telephone call on June 22, 1977 to the Office of the Executive Director of the Committee, telephone 202-634-1919, attention: Dr. Andrew L. Bates, between 8:15 a.m. and 5 p.m. e.d.t.

(d) Questions may be propounded only by members of the Subcommittee and its consultants.

(e) The use of still, motion picture, and television cameras, the physical installation and presence of which will not interfere with the conduct of the meeting, will be permitted both before and after the meeting and during any recess. The use of such equipment will not, however, be allowed while the meeting is in session. Recordings will be permitted only during those open sessions of the meeting when a transcript is being kept.

(f) A copy of the transcript of the portion(s) of the meeting where factual information is presented will be available for inspection on or after July 1, 1977 at the NRC Public Document Room, 1717 H Street NW., Washington, D.C. 20555, and at the Kern County Library, 1315 Truxton Avenue, Bakersfield, Calif. 93301.

A copy of the minutes of the meeting will be made available for inspection at the NRC Public Document Room, 1717 H Street NW., Washington, D.C. 20555, after September 26, 1977.

Copies may be obtained upon payment of appropriate charges.

Dated June 7, 1977.

JOHN C. HOYLE,
Advisory Committee
Management Officer.

[FR Doc. 77-16542 Filed 6-8-77; 8:45 am]

[Docket Nos. 50-400, 50-401, 50-402, 50-403]

**CAROLINA POWER & LIGHT CO., SHEARON
HARRIS NUCLEAR POWER PLANT,
UNITS 1, 2, 3 AND 4**

Order for Prehearing Conference

Pursuant to the provisions of 10 CFR § 2.752 the parties or their counsel are directed to appear at a prehearing conference at 9 a.m., June 16, 1977 at:

U.S. District Courthouse, Rm. 225—New Federal Bldg., 310 New Bern Ave., Raleigh, North Carolina 27611.

This prehearing conference is in anticipation of the resumption of the evidentiary hearings in this proceeding regarding the application by Carolina Power & Light Company for permits to construct four pressurized-water reactors of 900 megawatts of electrical capacity each at a plant proposed to be located in Wake and Chatham Counties, North Carolina. The hearings, which have been suspended since October, 1974, may be resumed as early as September, 1977. The public is invited to attend this session, but there will be no opportunity for public participation until the evidentiary hearings resume.

The following matters will be considered at the prehearing conference:

1. The setting of a prehearing and hearing schedule.
2. Whether an opportunity for additional intervention should be provided.
3. The need to reopen the record with respect to issues already heard because of the lapse of time and changing conditions.
4. Changes in the proposed scope of the hearing in relation to the Applicant's financial qualifications, the need for electrical power (including energy alternatives), and the seismic implications of the geological fault.
5. Whether Applicant's request of May 17, 1977 for authorization to use certain components which have been designed and fabricated to earlier codes than those presently set forth in 10 CFR § 50.55a (c), (d), and (e), is an appropriate issue for hearing.
6. Any other matters provided for in 10 CFR § 2.752.

By the order of the Board.

Dated at Bethesda, Maryland, this 6th day of June, 1977.

For the Atomic Safety and Licensing Board.

IVAN W. SMITH,
Chairman.

[FR Doc. 77-16546 Filed 6-8-77; 8:45 am]

[Docket Nos. 50-373 and 50-374]

**COMMONWEALTH EDISON CO., LASALLE
COUNTY STATION, UNITS NO. 1 AND
NO. 2**

Receipt of Application for Facility Operating Licenses; Availability of Applicant's Environmental Report; and Consideration of Issuance of Facility Operating Licenses and Notice of Opportunity for Hearing

Notice is hereby given that the Nuclear Regulatory Commission (the Commis-

sion) has received an application for facility operating licenses from the Commonwealth Edison Company (the applicant) which would authorize the applicant to possess, use, and operate two boiling water nuclear reactors (the facilities), located on the applicant's site in Brookfield Township, La Salle County, Illinois. Each unit would operate at a steady-state power level of 3292 megawatts thermal.

The applicant has also filed, pursuant to the National Environmental Policy Act of 1969 and the regulations of the Commission in 10 CFR Part 51, an environmental report. The report, which discusses environmental considerations related to the proposed operation of the facility, is being made available at the State Clearinghouse, Bureau of the Budget, 103 State House, Springfield, Illinois 62706.

After the environmental report has been analyzed by the Commission's Director of Nuclear Reactor Regulation or his designee, a Draft Environmental Statement will be prepared by the Commission's staff. Upon preparation of the Draft Environmental Statement, the Commission will, among other things, cause to be published in the *FEDERAL REGISTER* a summary notice of availability of the draft statement, requesting comments from interested persons on the draft statement. The summary notice will also contain a statement to the effect that any comments of Federal agencies and State and local officials will be made available when received. The Draft Environmental Statement will focus only on any matters which differ from those previously discussed in the Final Environmental Statement prepared in connection with the issuance of the construction permits. Upon consideration of comments submitted with respect to the Draft Environmental Statement, the Regulatory staff will prepare a Final Environmental Statement, the availability of which will be published in the *FEDERAL REGISTER*.

The Commission will consider the issuance of a facility operating license to Commonwealth Edison Company which would authorize the applicant to possess, use, and operate the La Salle County Station, Units No. 1 and No. 2, in accordance with the provisions of the license and the technical specifications appended thereto, upon: (1) The completion of a favorable Safety Evaluation Report on the application by the Office of Nuclear Reactor Regulation; (2) the completion of the environmental review required by the Commission's regulations in 10 CFR Part 51; (3) the receipt of a report on the applicant's application for a facility operating license by the Advisory Committee on Reactor Safeguards; and (4) a finding by the Commission that the application for the facility license, as amended, complies with the requirements of the Atomic Energy Act of 1954, as amended (Act), and the Commission's regulations in 10 CFR Chapter 1. Construction of the facilities was authorized by Construction Permit Nos. CPPR-99 and CPPR-100, issued by the Commission on September 10, 1973.

Construction of Unit No. 1 is anticipated to be completed by April 1, 1979 and Unit No. 2 by March 1, 1980.

Prior to issuance of any operating licenses, the Commission will inspect each facility to determine whether it has been constructed in accordance with the application, as amended, and the provisions of the Construction Permits. In addition, the licenses will not be issued until the Commission has made the findings reflecting its review of the application under the Act, which will be set forth in the proposed licenses, and has concluded that the issuance of the licenses will not be inimical to the common defense and security or to the health and safety of the public. Upon issuance of the licenses, the applicant will be required to execute an indemnity agreement as required by Section 170 of the Act and 10 CFR Part 140 of the Commission's regulations.

Within thirty (30) days from the date of publication of this notice in the *FEDERAL REGISTER*, the applicant may file a request for a hearing with respect to issuance of the facility operating licenses and any person whose interest may be affected by this proceeding may file a petition for leave to intervene. Requests for a hearing and petitions for leave to intervene shall be filed in accordance with the Commission's "Rules of Practice" in 10 CFR Part 2. If a request for a hearing or petition for leave to intervene is filed within the time prescribed in this notice, the Commission or an Atomic Safety and Licensing Board, designated by the Commission or by the Chairman of the Atomic Safety and Licensing Board Panel will rule on the request and/or petition and the Secretary or the designated Atomic Safety and Licensing Board will issue a notice of hearing or an appropriate order.

A petition for leave to intervene must be filed under oath or affirmation in accordance with the provisions of 10 CFR § 2.714. As required by 10 CFR § 2.714, a petition for leave to intervene shall set forth the interest of the petitioner in the proceeding, how that interest may be affected by the results of the proceeding, and any other contentions of the petitioner including the facts and reasons why he should be permitted to intervene, with particular reference to the following factors: (1) The nature of the petitioner's right under the Act to be made a party to the proceeding; (2) the nature and extent of the petitioner's property, financial, or other interest in the proceeding; and (3) the possible effect of any order which may be entered in the proceeding on the petitioner's interest. Any such petition shall be accompanied by a supporting affidavit identifying the specific aspect or aspects of the subject matter of the proceeding as to which the petitioner wishes to intervene and setting forth with particularity both the facts pertaining to his interest and the basis for his contentions with regard to each aspect on which he desires to intervene. A petition that sets forth contentions relating only to

matters outside the jurisdiction of the Commission will be denied.

A request for a hearing or a petition for leave to intervene must be filed with the Secretary of the Commission, United States Nuclear Regulatory Commission, Washington, D.C. 20555, Attention: Docketing and Service Section, or may be delivered to the Commission's Public Document Room, 1717 H Street NW., Washington, D.C. 20555, by July 11, 1977. A copy of the petition should also be sent to the Executive Legal Director, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555 and to Richard E. Powell, Esq., Isham, Lincoln & Beale, One First National Plaza, Suite 4200, Chicago, Illinois 60680, attorney for the applicant.

A petition for leave to intervene which is not timely will not be granted unless the Commission, the presiding officer, or the Atomic Safety and Licensing Board designated to rule on the petition determines that the petitioner has made a substantial showing of good cause for failure to file on time and after considering those factors specified in 10 CFR § 2.714(a)(1)-(4) and § 2.714(d).

For further details pertinent to the matters under consideration, see the application for the facility operating licenses dated March 31, 1977, and the applicant's environmental report dated May 11, 1977, which are available for public inspection at the Commission's Public Document Room, 1717 H Street NW., Washington, D.C., and at the Illinois Valley Community College, Rural Route No. 1, Oglesby, Illinois 62458. As they become available, the following documents may be inspected at the above locations: (1) The Safety Evaluation Report prepared by the Office of Nuclear Reactor Regulation; (2) the Draft Environmental Statement; (3) the Final Environmental Statement; (4) the Report of the Advisory Committee on Reactor Safeguards on the application for facility operating licenses; (5) the proposed facility operating licenses; and (6) the technical specifications, which will be attached to the proposed facility operating licenses.

Copies of the proposed operating license and the Report of the Advisory Committee on Reactor Safeguards, when available, may be obtained by request to the Director, Division of Project Management, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555. Copies of the Office of Nuclear Reactor Regulation's Safety Evaluation Report and Final Environmental Statement, when available, may be purchased at current rates, from the National Technical Information Service, Springfield, Virginia 22161.

Dated at Bethesda, Maryland, this 3rd day of June, 1977.

For the Nuclear Regulatory Commission.

SYDNEY MINER,

Acting Chief, Light Water Reactors Branch No. 3, Division of Project Management.

[FR Doc. 77-16548 Filed 6-8-77; 8:45 am]

[Docket Nos. 50-282, 50-306]

NORTHERN STATES POWER CO., (PRAIRIE ISLAND NUCLEAR GENERATING PLANT, UNITS 1 AND 2)

Spent Fuel Pool Modification

ORDER

By its Order for Evidentiary Hearing of May 31, 1977, the Board scheduled the start of the evidentiary hearing in this proceeding for Tuesday, June 14, 1977, at the U.S. Courthouse, 110 South 4th Street, Minneapolis, Minnesota. That order also reflected the Board's expectation that the hearing would continue through Friday, June 17, 1977.

In a recent telephone conference call with all the parties, the Board Chairman informed the parties that the hearing would in fact be held at the U.S. Courthouse named above on June 14 and June 15, but that the location would necessarily change for the sessions scheduled to be held on June 16 and June 17. This Order states the location of the hearing sessions scheduled to be held on June 16 and June 17.

Notice is hereby given that the sessions of the evidentiary hearing scheduled to be held on Thursday, June 16 and Friday, June 17, will be held as scheduled at the Sheraton-Ritz Hotel, Georgian Room (Lobby Level), 315 Nicollet Avenue, Minneapolis, Minnesota.

So ordered.

Dated at Bethesda, Maryland, this 2nd day of June 1977.

The Atomic Safety and Licensing Board.

EDWARD LUTON,
Chairman.

[FR Doc. 77-16547 Filed 6-8-77; 8:45 am]

[Docket No. 50-309]

MAINE YANKEE ATOMIC POWER CO.

Issuance of Amendment to Facility Operating License

The U.S. Nuclear Regulatory Commission (the Commission) has issued Amendment No. 28 to Facility Operating License No. DPR-36 issued to Maine Yankee Atomic Power Company (the licensee) which revised Technical Specifications for operation of the Maine Yankee Atomic Power Station, located in Lincoln County, Maine. The amendment is effective as of the date of issuance.

The amendment to the Technical Specifications upgrades the provisions for steam generator tube inspection to be consistent with guidance contained in Regulatory Guide 1.83, Revision 1, dated July 1975.

The application for amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations. The Commission has made appropriate findings as required by the Act and the Commission's rules and regulations in 10 CFR

Chapter 1, which are set forth in the license amendment. Prior public notice of this amendment was not required since the amendment does not involve a significant hazards consideration.

The Commission has determined that the issuance of this amendment will not result in any significant environmental impact and that pursuant to 10 CFR 51.5(d)(4) an environmental impact statement or negative declaration and environmental impact appraisal need not be prepared in connection with issuance of this amendment.

For further details with respect to this action, see (1) the application for amendment dated November 12, 1976, (2) Amendment No. 28 to License No. DPR-36, and (3) the Commission's related Safety Evaluation. All of these items are available for public inspection at the Commission's Public Document Room, 1717 H Street NW., Washington, D.C., and at the Wiscasset Public Library Association, High Street, Wiscasset, Maine.

A copy of items (2) and (3) may be obtained upon request addressed to the U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, Attention: Director, Division of Operating Reactors.

Dated at Bethesda, Maryland, this 10th day of May 1977.

For the Nuclear Regulatory Commission.

ROBERT W. REID,
Chief, Operating Reactors
Branch No. 4, Division of Operating Reactors.

[FR Doc. 77-15989 Filed 6-8-77; 8:45 am]

[Docket No. 50-320]

METROPOLITAN EDISON CO.

Order

Before the Atomic Safety and Licensing Board. In the matter of Metropolitan Edison Co., Jersey Central Power & Light Co., and Pennsylvania Electric Co. (Three Mile Island Nuclear Station, Unit No. 2).

The evidentiary hearing in this matter will resume on Monday, June 6, 1977, at 1:30 p.m., at the U.S. Federal Building and Courthouse, Courtroom No. 2, 3rd and Walnut Streets, Harrisburg, Pennsylvania. The hearing will continue through Saturday, June 11, 1977.

So ordered.

Dated at Bethesda, Maryland this 31st day of May 1977.

THE ATOMIC SAFETY AND
LICENSING BOARD,
EDWARD LUTON,
Chairman.

[FR Doc. 77-15992 Filed 6-8-77; 8:45 am]

[Docket No. 50-282, 50-306]

NORTHERN STATES POWER CO. (PRAIRIE ISLAND NUCLEAR GENERATING PLANT, UNITS 1 AND 2)

Spent Fuel Pool Modification; Order for Evidentiary Hearing

The evidentiary hearing in this matter will begin on Tuesday, June 14, 1977 at 9:30 a.m., at the U.S. Courthouse, 110 South 4th Street, Courtroom No. 3 (6th Floor), Minneapolis, Minnesota. The hearing will continue through Friday, June 17, 1977.

So ordered.

Dated at Bethesda, Maryland this 31st day of May 1977.

The Atomic Safety and Licensing Board.

EDWARD LUTON,
Chairman.

[FR Doc. 77-15991 Filed 6-8-77; 8:45 am]

[Docket No. 50-272]

PUBLIC SERVICE ELECTRIC AND GAS CO. ET AL.

Issuance of Amendment to Facility Operating License

The U.S. Nuclear Regulatory Commission (the Commission) has issued Amendment No. 5 to Facility Operating License No. DPR-70, issued to Public Service Electric and Gas Company, Philadelphia Electric Company, Delmarva Power and Light Company and Atlantic City Electric Company (the licensees), which revised the operating license for Salem Nuclear Generating Station, Unit No. 1 (the facility) located in Salem County, New Jersey. The amendment is effective as of its date of issuance.

The amendment consists of changes to the Technical Specifications which will (1) revise the special test exceptions to permit the conduct of Power Coefficient Test and Load Swing Test as part of the Initial Startup Test Program and (2) change the title of one member of the Nuclear Review Board to reflect a recent reorganization within the Company.

The application for the amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations. The Commission has made appropriate findings as required by the Act and the Commission's rules and regulations in 10 CFR Chapter I, which are set forth in the license amendment. Prior public notice of this amendment was not required since the amendment does not involve a significant hazards consideration.

The Commission has determined that the issuance of this amendment will not

result in any significant environmental impact and that pursuant to 10 CFR 51.5(d)(4) an environmental impact statement or negative declaration and environmental impact appraisal need not be prepared in connection with issuance of this amendment.

For further details with respect to this action, see (1) the application for amendment dated May 16, 1977, (2) Amendment No. 5 to License No. DPR-70 and (3) the Commission's related Safety Evaluation. All of these items are available for public inspection at the Commission's Public Document Room, 1717 H Street, N.W., Washington, D.C. and at the Salem Free Public Library, 112 West Broadway, Salem, New Jersey. A copy of items (2) and (3) may be obtained upon request addressed to the U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, Attention: Director, Division of Operating Reactors.

Dated at Bethesda, Maryland, this 31st day of May, 1977.

For the Nuclear Regulatory Commission.

GEORGE LEAR,
Chief, Operating Reactors
Branch No. 3, Division of Operating Reactors.

[FR Doc. 77-15993 Filed 6-8-77; 8:45 am]

[BML No. 29-13613-02]

RADIATION TECHNOLOGY, INC.

Order Convening Prehearing Conference

Upon inquiry respecting a date and time suitable for a prehearing conference, it has been determined that 11:30 a.m. on June 15, 1977 is convenient to the Licensee and the Staff of the Commission.

Wherefore, it is ordered, in accordance with the Atomic Energy Act, as amended, and the Rules of Practice of the Nuclear Regulatory Commission, that a prehearing conference in this proceeding shall convene at 11:30 a.m. on Wednesday, June 15, 1977, in Room 730 of the U.S. Federal Building, 970 Broad Street, Newark, New Jersey 07102 to consider matters specified in 10 CFR 2.752 including simplification, clarification and specification of the issues, possibility of obtaining stipulations and admissions of fact and of the contents and authenticity of documents to avoid unnecessary proof; identification of witnesses, and steps that may be taken to expedite the presentation of evidence, and to aid in the orderly disposition of the proceeding.

Issued June 1, 1977, Bethesda, Maryland.

For the Nuclear Regulatory Commission.

SAMUEL W. JENSCH,
Administrative Law Judge.

[FR Doc. 77-15990 Filed 6-8-77; 8:45 am]

[Docket No. 50-389A]

**FLORIDA POWER & LIGHT CO. (ST. LUCIE
NUCLEAR POWER PLANT, UNIT NO. 2)****Notice of Oral Argument**

NOTE: The following document was published in the issue of June 7, 1977 at page 29052. It is being republished here in order to meet Day-of-the-Week publication requirements.

Notice is hereby given that, in accordance with the Appeal Board's order of June 2, 1977, oral argument on the applicant's appeal from the Licensing Board's memorandum and order of April 5, 1977 will be held at 9:30 a.m., Friday, June 10, 1977 in the Nuclear Regulatory Commission's Public Hearing Room, 5th floor, East-West Towers, 4350 East West Highway, Bethesda, Maryland.

For the Atomic Safety and Licensing Appeal Board.

Dated: June 2, 1977.

MARGARET E. DU FLO,
Secretary to the Appeal Board.

[PR Doc. 77-16113 Filed 6-3-77; 1:43 pm]

**NATIONAL TRANSPORTATION
SAFETY BOARD**

[N-AR 77-23]

**ACCIDENT REPORT; SAFETY RECOM-
MENDATIONS AND RESPONSES****Availability and Receipt**

Aircraft Accident Report.—According to the National Transportation Safety Board, a North American TB-25N crashed last August 6 near Midway Airport, Chicago, Illinois, because smoke in the cockpit from an engine fire prevented the flightcrew from maintaining control in an attempted emergency landing. The Safety Board's narrative report, No. NTSB-AAR-77-3, was made available to the public on June 3.

Smoke and fire from a massive failure in the left engine of the converted World War II bomber traveled through the bomb bay to the cockpit before the crash, the Board found; an inspection system which was used was not effective in detecting the impending engine failure. Both pilots died when the twin engine B-25 crashed in a residential section. One person on the ground was killed and another seriously injured. Two houses, two garages, three cars and a boat were destroyed in the crash and postimpact fire.

The Safety Board determined that the probable cause of the accident was the deterioration of the cockpit environment, due to smoke to the extent that the crew could not function effectively in controlling the aircraft under emergency conditions. The smoke and fire originating from a massive failure in the power section of the left engine, propagated into the bomb bay area and then into the cockpit. The inspection system utilized was not effective in detecting the impending engine failure.

As a result of the investigation of this accident, the Safety Board on May 4 issued to the Federal Aviation Administra-

tion recommendations Nos. A-77-18 and 19, calling for special surveillance of all old and inactive aircraft, and a review of Federal requirements for maintaining them. (See 42 FR 24131, May 12, 1977.)

Board investigation showed that the B-25 was purchased by Air Chicago Freight on July 18, 1974, and then registration was transferred to War Aero, Ltd. It was then flown to Midway for refurbishing. It was not used, however, and its engines were neither preserved nor run up for 19 months. When the engines were next started in February 1976, they were not preoiled as recommended by North American. A 30-minute test flight on the day before the accident was the aircraft's first flight in two years.

Aviation Safety Recommendation A-77-34 and 35.—Ongoing investigations of two aircraft accidents, both involving the transportation of live cattle on cargo airplanes, have disclosed evidence of a potential safety hazard.

Last January 13 a Japan Air Lines Douglas DC8-62F departed Anchorage (Alaska) International Airport on a charter flight, transporting a bulk cargo of cattle. Immediately after takeoff, witnesses saw the aircraft reach a maximum altitude of about 100 feet before it yawed and descended to the ground.

In another accident in which the aircraft was carrying bulk cattle, a Convair 880, operated by Air Trine Corporation, failed to lift off the ground during the takeoff run at Miami (Florida) International Airport last December 16. Investigation disclosed that the pitch trim was not within the takeoff range and that the aircraft gross weight was calculated incorrectly.

On both of these flights, the cattle were placed into pens which divided the full load into small groups so that their movement was restricted in any horizontal direction. The cattle were not positively restrained, however, and were thus able to move within the limits of the pens; the space for movement depended on the number of cattle in each pen. There was no vertical restraint. The Anchorage accident investigation revealed one incident in which the cattle broke loose from the pens and the resultant weight transfer caused the airplane to rotate prematurely during takeoff. Although the evidence gathered to date does not indicate this to be a causal factor in either accident, the Safety Board is concerned that the unrestrained cattle's movement, or even the adverse effect of the normally limited cattle movement on the stability and control characteristics of the airplane, together with the physiological effects on a flightcrew subjected to constant oscillatory motions, could cause a catastrophic accident.

Accordingly, the Safety Board on June 2 recommended that the Federal Aviation Administration—

Issue an Advisory Circular to establish criteria for the design, installation, and use of livestock restraining systems and to insure that carriage of livestock will not adversely affect the operation of the aircraft or the function of its crewmembers. (A-77-34)

Conduct an engineering analysis to determine the adequacy of livestock restraining systems which are currently approved for use—the analysis to determine the load distribution and maximum amount of load shift permitted, without causing an intolerable shift of the airplane's center of gravity and to determine that the permissible limits will not adversely affect the airplane's stability and control characteristics or introduce physiological factors which could affect crew performance (A-77-35)

Both are designated "Class II" recommendations, for priority followup.

Aviation Safety Recommendations A-77-36 and 37.—The Safety Board within the past two years has investigated several aircraft accidents which occurred at DuPage County Airport, Illinois, shortly after 2200:00, the nightly closing time for the air traffic control tower. Accidents at DuPage referenced in the Board's recommendation letter of June 2 to the Federal Aviation Administration were those involving a Cessna 172 on July 29, 1975; a Beechcraft BE-18 on May 31, 1976; and a Mooney MU20E on March 3, 1977.

Although the operating hours for the runway alignment indicator lights and the runway end identifier lights are published in Part 3 of the Airman's Information Manual and on the applicable Jeppesen approach charts, the Safety Board does not believe that this operation is in the best interest of public safety. The Board believes that a pilot who is approaching the airport for landing in marginal meteorological conditions—especially one who has reported navigational problems—should have the advantage of all available airport light systems and components. Since Chicago Flight Service Station operates continuously and provides flight assistance and communications services for DuPage County Airport, the Board believes that the flight service station should control the airport lights after the tower closes.

Accordingly, the Safety Board recommends that FAA—

Delegate control of all DuPage County Airport, Illinois, light systems and components to the Chicago Flight Service Station when the DuPage control tower is not operational. (A-77-36)

Survey all Airports with published instrument approach procedures and with control towers which do not operate continuously to assure that the airport lights can be controlled by another Federal Aviation Administration facility or by a pilot when the control tower is not operational. (A-77-37)

Both are designated "Class II" recommendations, for priority followup.

Aviation Safety Recommendations A-77-39 and 40.—Two Class I—Urgent Followup recommendations were issued June 2 to the Federal Aviation Administration following Board investigation of the crash last March 31 of a Bell Model 214B-1 helicopter employed in a logging operation near Liberty, Washington. The helicopter was on its first afternoon flight to retrieve a load of logs when the tail assembly and the main rotor blades separated from the rotorcraft. The helicopter hit the ground on its left side; both pilots were killed.

Investigation of the accident disclosed that the fin installation, P/N 214-020-002, had fractured and separated. The Safety Board and Bell Helicopter Textron metallurgists analyzed the fractured vertical fin and found that it failed in fatigue originating in the left forward spar cap at the first outboard rivet hole above the tail boom deck. The total time of the vertical fin installation was 307 operating hours since replacement of the original tail boom on November 20, 1976.

On April 7, 1977, Bell Helicopter Textron telegraphed all Model 214B/B-1 operators to inform them of the preliminary investigation of this accident and of an immediate mandatory inspection on all helicopters with over 100 flight-hours.

In view of the potentially catastrophic consequences associated with such a failure, the Safety Board recommends that FAA—

Issue an Emergency Airworthiness Directive making the Bell Helicopter Textron telegraphic message of April 7, 1977, mandatory for all operators of Bell Models 214B and B-1 helicopters with an additional requirement for a visual daily inspection. (A-77-38)

Reduce the maximum gross weight or torque limitation, or both, of the Bell Models 214B and B-1 helicopters until loading and stress on the tail boom fin and tail boom can be reevaluated and appropriate structural modifications completed. (A-77-39)

Railroad Safety Recommendation R-77-13.—The Safety Board has asked the Federal Railroad Administration to set standards for the interior design of commuter cars to help prevent death or injuries from accidents. The request came following investigation of the collision of two Consolidated Railroad Corporation commuter trains in New Canaan, Connecticut, last July 13. Two persons died and 30 other were injured when the oncoming ConRail commuter train struck a standing train at the New Canaan station which had discharged passengers and was preparing to switch to another track.

The Safety Board on June 1 recommended that FRA—

Promulgate regulations for railroad commuter lines that will: Establish standards for the interior design of commuter cars to prevent and reduce injuries from accidents; insure that when the cars' power source fails, emergency lighting is adequate and doors can be operated easily from inside and outside; establish standards for the evacuation of passengers; and prevent a passenger train from entering an occupied block. (R-77-13, Class II—Priority Follow-up.)

Last summer the Safety Board issued four other recommendations—Nos. R-76-46 and 47 on July 28 to the Connecticut Department of Transportation (41 FR 32795, August 5, 1976), and Nos. R-76-48 and 49 on August 20 jointly to the Connecticut Department of Transportation and the Metropolitan Transit Authority (41 FR 36091, August 26, 1976)—in light of its investigation of the New Canaan accident.

The Safety Board will soon make available to the public its narrative report

containing facts, analysis, and conclusions concerning this accident.

RESPONSES TO SAFETY RECOMMENDATIONS

Aviation: A-76-142.—Federal Aviation Administration letter of May 16 supplements initial response of April 1 (42 FR 20693, April 21, 1977) to this recommendation, which asked FAA to initiate a program for those airports which have no full-time crash/fire/rescue crew, especially those in Alaska, to properly train and equip the personnel that must respond to an aircraft fire. This recommendation is one of three issued following Board investigation of the Alaska Airlines accident at Ketchikan (Alaska) International Airport, April 5, 1976.

FAA's April 1 letter pointed out the limited capability FAA has in establishing a training program for airport firefighting personnel. FAA's May 16 letter reports that FAA is exploring ways to accomplish more uniform training and provides additional information on areas of consideration to improve the capability of firefighting teams.

FAA reports that it is working with the National Fire Protection Association (NFPA) to develop a formal recommended practice/standard which is expected to identify the job knowledge and performance criteria for an airport firefighter. The standard, FAA states, is intended to serve the industry as hiring selection criteria, as a basis for job performance evaluation for upgrading/promotion purposes, and as a means of identifying specific training needs for orderly career progression. "The final product must meet approval of nationally organized professions and volunteers, and must be able to pass the court tests of fairness and specific job required criteria currently being used to test hiring and promotion practices," FAA stated. FAA intends to continue working closely with NFPA on the development of this standard, and upon completion will consider a regulatory change.

Further, FAA is evaluating some commercially prepared training outlines. FAA states, "However, meaningful progress in this area depends on the identification and national acceptance of airport firefighter job knowledge and performance criteria." Upon completion of an acceptable syllabus, FAA expects to take additional steps related to the development of a more standardized training program.

Aviation: A-77-32 and 33.—Federal Aviation Administration letter of May 20 is in response to recommendations issued by the Safety Board immediately after the May 16 accident involving a Sikorsky Model S-61L helicopter on the heliport of the Pan American Building in New York City. (See 42 FR 27076, May 26, 1977.)

According to the May 20 letter, FAA on May 19 directed the issuance of an Airworthiness Directive applicable to Sikorsky S-61L, S-61N, and S-61A helicopters requiring inspection of main landing gear assemblies and appropriate remedial action. A copy of the directive

responsive to A-77-32 is attached to FAA's letter.

FAA further reports that action is being taken on recommendation A-77-33 to reevaluate current inspections procedures; the Safety Board will be informed when reevaluation has been completed.

Railroad: R-76-17.—Federal Railroad Administration letter of May 20 responds to Board recommendation issued following investigation of the rear-end collisions of three Massachusetts Bay Transportation Authority (MBTA) trains in Boston, Massachusetts, August 1, 1975. The recommendation asked FRA to insure that the MBTA implements the recommendations made by its investigating committee. (See 41 FR 22427, June 3, 1976.)

In indicating concurrence, FRA reports that steps have been taken to have FRA field personnel monitor the implementation of the recommendations proposed by the MBTA investigating committee. FRA says that to date the majority of these recommendations have been implemented and the remainder are in the process of being put into effect. FRA will advise the Safety Board when all are implemented. FRA provides a copy of a letter dated April 6, 1977, from MBTA's Office of Safety to FRA detailing progress on implementing the recommendations. The MBTA recommendations concern (1) dispatchers, (2) the master control operator, (3) the train starter, (4) inspectors, (5) motormen, (6) guards, (7) the signal maintainer, (8) communications, (9) car side doors, (10) rule changes, (11) training for new inspectors and starters, and (12) safety and training.

SAFETY BOARD REPLY TO HIGHWAY RECOMMENDATIONS

Board letter of May 31 to the State Department of Highways and Public Transportation, Austin, Texas, is in reply to the Department's May 10 letter (42 FR 27078, May 26, 1977) concerning recommendations H-76-17 and 18. These recommendations were issued following investigation of the April 29, 1975, Surtigas, S.A., tractor-tank-semi-trailer accident near Eagle Pass, Texas.

The Board expresses appreciation for the Department's response to H-76-18 and its cooperation on behalf of highway safety. Regarding recommendation H-76-17, the Board recognizes that a Statewide project to inventory existing unprotected, raised concrete culvert endwalls and headwalls to establish a priority within the Department's highway safety improvement program for their modification takes time and resources. However, the Board wishes to know of the Department's progress in this area.

NOTE.—The above notice consists of summaries of Safety Board documents made available, and safety recommendation responses received, during the week preceding publication of the notice in the *Federal Register*. The aircraft accident report and the safety recommendation letters in their entirety are available to the general public; single copies are obtainable without charge. Copies of the full text of responses to recom-

recommendations and any Board correspondence may be obtained at a cost of \$4 for service and 10¢ per page for reproduction. All requests must be in writing, identified by the recommendation number and date of publication of this notice in the FEDERAL REGISTER. Address inquiries to: Public Inquiries Section, National Transportation Safety Board, Washington, D.C. 20594.

Multiple copies of accident reports may be purchased by mail from the National Technical Information Service, U.S. Department of Commerce, Springfield, Virginia 22161.

(Secs. 304(a)(2) and 307 of the Independent Safety Board Act of 1974 (Pub. L. 93-633, 88 Stat. 2169, 2172 (49 U.S.C. 1903, 1906)).)

MARGARET L. FISHER,

Federal Register Liaison Officer.

JUNE 6, 1977.

[FR Doc.77-16353 Filed 6-8-77; 8:45 am]

SMALL BUSINESS ADMINISTRATION

[License No. 02/02-5289]

COALITION SMALL BUSINESS INVESTMENT COMPANY CORP.

Application for Transfer of Control of Licensed Small Business Investment Company

Notice is hereby given that an application has been filed with the Small Business Administration (SBA), pursuant to 107.701 of the Regulations governing small business investment companies (13 CFR 107.701 (1977)), for transfer of control of Coalition Small Business Investment Company Corp. (Coalition), 1270 Avenue of the Americas, New York, New York 10020, a Federal Licensee under the Small Business Investment Act of 1958, as amended (the Act) (15 U.S.C. 661 et seq.), and the Rules and Regulations.

Coalition was licensed on November 15, 1971, and its present capitalization is \$173,350. It is a wholly owned subsidiary of Coalition Venture Corporation, a New York not-for-profit corporation located at the same address as the licensee.

Potomac Associated Resources Corporation (Potomac), a corporation located at 30 Broad Street, New York, New York 10004, proposes to acquire from Coalition Venture Corporation all of the outstanding stock of Coalition, the licensee.

Potomac is owned by the following shareholders:

Reginald F. Lewis, 30 Broad Street, New York, New York 10004.

Thomas A. Bourelly, 7700 South Luella, Chicago, Illinois 60649.

Jean S. Pugett, Jr., 8717 Camille Drive, Potomac, Maryland 20854.

Upon transfer of control, Potomac will continue the operations of Coalition at 30 Broad Street, New York, New York 10004, with no change in the investment policy or in the area of operations. However, the following will be named officers and directors:

Reginald F. Lewis, President, Director, 30 Broad Street, New York, New York 10004.

Thomas A. Bourelly, Executive Vice President, Treasurer and Director, 7700 South Luella, Chicago, Illinois 60649.

Jean S. Pugett, Jr., Secretary and Director, Vice President, 8717 Camille Drive, Potomac, Maryland 20854.

Matters involved in SBA's consideration of the application include the general business reputation and character of management and shareholders, and the probability of successful operations of Coalition under their management in accordance with the Act and Regulations.

Notice is further given that any person may, not later than June 24, 1977, submit to SBA in writing, comments on the proposed transfer of control of this company. Any such comments should be addressed to: Associate Administrator for Finance and Investment, Small Business Administration, 1441 L Street NW., Washington, D.C. 20416.

A copy of this notice will be published by Coalition in a newspaper of general circulation in New York, New York.

(Catalog of Federal Domestic Assistance Program No. 59.011, Small Business Investment Companies.)

Dated: June 3, 1977.

PETER F. McNEISH,

Deputy Associate Administrator for Investment.

[FR Doc.77-16242 Filed 6-8-77; 8:45 am]

DEPARTMENT OF STATE

[CM-7/78]

SHIPPING COORDINATING COMMITTEE, SUBCOMMITTEE ON SAFETY OF LIFE AT SEA

Meeting

The working group on subdivision and stability of the Subcommittee on Safety of Life at Sea, a subcommittee of the Shipping Coordinating Committee, will hold an open meeting at 9:30 a.m. on Tuesday, June 28, 1977, in Room 8236 of the Department of Transportation, 400 Seventh Street SW., Washington, D.C.

The purpose of the meeting will be to consider the report of the 20th Session of the Subcommittee on Subdivision, Stability and Load Lines of the Intergovernmental Maritime Consultative Organization (IMCO) held in London February 7-11, 1977. The particular items for discussion are:

Agenda items for the 21st Session of the Subcommittee, scheduled tentatively to be held October 24-28, 1977.

Discussion of a French proposal for roll-on/roll-off ships.

Requests for further information on the meeting should be directed to Mr. Edward H. Middleton, United States Coast Guard. He may be reached by telephone on area code 202-426-2170.

The Chairman will entertain comments from the public as time permits.

Dated: May 25, 1977.

RICHARD K. BANK,
Chairman, Shipping
Coordinating Committee.

[FR Doc.77-16323 Filed 6-8-77; 8:45 am]

[CM-7/77]

SHIPPING COORDINATING COMMITTEE, SUBCOMMITTEE ON SAFETY OF LIFE AT SEA

Meeting

The working group on international multimodal transport and containers of the Subcommittee on Safety of Life at Sea, a subcommittee of the Shipping Coordinating Committee, will hold an open meeting from 9:30 a.m. to 5 p.m. on Wednesday and Thursday, June 29-30, 1977, in Room 8334 of the Department of Transportation, 400 Seventh Street SW., Washington, D.C.

The purpose of the meeting is to discuss matters germane to multimodal transport and containers. The following specific issues will be addressed in the order and on the dates indicated:

WEDNESDAY, JUNE 29

Update of USG action on the Implementation of the ECE Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to be used for such Carriage (ATP).

Update on IMCO/CCC Customs Convention on Containers (1972).

Discussion of U.S. position for meeting of IMCO Subcommittee on Containers and Cargoes, London, July 11-15, 1977.

Discussion of legislation and regulations regarding the IMCO International Convention on Safe Containers (1972).

The target date for distribution of pertinent documents to working group for latter two items is June 6.

THURSDAY, JUNE 30

Discussion of report titled "A Study of Intermodal Container Safety" by C. R. Cushing, M.L. Higgins, and P. B. Kimball. (This item may be discussed on Wednesday, time permitting.)

Any questions concerning this meeting should be directed to either Mr. M. H. Allen, United States Coast Guard (202-426-1577), or Mr. Richard E. Johe, Department of State (202-632-1313).

Comments from the public will be welcomed.

Dated: May 26, 1977.

RICHARD K. BANK,
Chairman, Shipping
Coordinating Committee.

[FR Doc.77-16324 Filed 6-8-77; 8:45 am]

[CM-7/78]

SHIPPING COORDINATING COMMITTEE, SUBCOMMITTEE ON SAFETY OF LIFE AT SEA

Meeting

The working group on subdivision and stability's panel on bulk cargoes of the Subcommittee on Safety of Life at Sea, a subcommittee of the Shipping Coordinating Committee, will hold an open meeting at 10 a.m. on Thursday, June 30, 1977, in Room 8236 of the Department of Transportation, 400 Seventh Street SW., Washington, D.C.

The purpose of the meeting will be to discuss:

Items on the agenda for the 18th Session of the Subcommittee on Containers and Cargoes of the Intergovernmental Maritime Consultative Organization (IMCO) scheduled to be held in London July 11-15, 1977.

A French proposal for roll-on/roll-off ships.

Requests for further information on the meeting should be directed to either Mr. Edward H. Middleton, United States Coast Guard (202-426-2170), or Captain S. Fraser Sammis, National Cargo Bureau, Inc., New York (212-432-1230).

The Chairman will entertain comments from the public as time permits.

Dated: May 26, 1977.

RICHARD K. BANK,
Chairman, Shipping
Coordinating Committee.

[FR Doc. 77-16325 Filed 6-8-77; 8:45 am]

DEPARTMENT OF TRANSPORTATION

Coast Guard

(CGD 77-110)

EQUIPMENT, CONSTRUCTION, AND MATERIALS

Approval Notice

1. Certain laws and regulations (46 CFR Chapter I) require that various items of lifesaving, firefighting and miscellaneous equipment, construction, and materials used on board vessels subject to Coast Guard inspection, on certain motorboats and other recreational vessels, and on the artificial islands and fixed structures on the outer Continental Shelf be of types approved by the Commandant, U.S. Coast Guard. The purpose of this document is to notify all interested persons that certain approvals have been granted as herein described during the period from March 9, 1977 to April 21, 1977 (List No. 6-77). These actions were taken in accordance with the procedures set forth in 46 CFR 2.75-1 to 2.75-50.

2. The statutory authority for equipment, construction, and material approvals is generally set forth in sections 367, 375, 390b, 416, 481, 489, 526p, and 1333 of Title 46, United States Code, section 1333 of Title 43, United States Code, and section 198 of Title 50, United States Code. The Secretary of Transportation has delegated authority to the Commandant, U.S. Coast Guard with respect to these approvals (49 CFR 1.46(b)). The specifications prescribed by the Commandant, U.S. Coast Guard for certain types of equipment, construction, and materials are set forth in 46 CFR Parts 160 to 164.

3. The approvals listed in this document shall be in effect for a period of 5 years from the date of issuance, unless sooner cancelled or suspended by proper authority.

GAS MASKS, SELF-CONTAINED BREATHING APPARATUS, AND SUPPLIED-AIR RESPIRATORS, FOR MERCHANT VESSELS

Approval No. 160.011/45/0, M-S-A Air Mask, pressure demand type, with Clear-

vue Facepiece and Cleartone Speaking Diaphragm, Part No. 95069, or Ultraview Facepiece and Cleartone Speaking Diaphragm, Part No. 461704, self-contained one-half hour compressed air breathing apparatus, at least one extra fully charged cylinder of breathing air to be included as part of the complete unit, Bureau of Mines Approval No. 13E-10, National Institute of Occupational Safety and Health T.C.-13F-30, and MSA assembly dwg. No. D-95069, revision 5 dated February 14, 1969, manufactured by Mine Safety Appliances Company, 201 North Braddock Avenue, Pittsburgh, Pennsylvania 15208, effective March 28, 1977. (It supersedes Approval No. 160.011/45/0 dated October 2, 1974 to show minor changes.)

LIFEBOAT WINCHES FOR MERCHANT VESSELS

Approval No. 160.015/99/2, Carroll Type CW-75-M lifeboat winch; approval limited to mechanical components only and for a maximum working load of 7,500 lbs. pull at the drums (3,750 lbs. per fall); identified by general arrangement drawings 57804 dated June 17, 1975, or 58044, Revision B dated October 26, 1976; and drawing list dated December 10, 1976, Trackway-mounted winch; approval is limited for use with Type CG-150-P gravity davit (Approval 160.032/186/1), manufactured by Lake Shore, Inc., Iron Mountain, Michigan 49801, effective April 18, 1977. (It supersedes Approval No. 160.015/99/1 dated July 17, 1975 to show design changes.)

LIFEBOATS

Approval No. 160.035/97/8, 22.0' x 7.5' x 3.17' steel, motor-propelled lifeboat, without radio cabin or searchlight Class 1, 28-person* capacity, identified by general arrangement and construction dwg. No. 22-001-02 Rev. C dated August 12, 1976, this boat is built with a wooden or fibrous glass reinforced plastic (FRP) removable interior,* approved for 28-person capacity for replacement lifeboats, 46 CFR 160.035-13(c) Marking, Weights: Condition "A"—3,598 pounds; Condition "B"—9,191 pounds, manufactured by Lane Lifeboat Division of Lane Marine Technology, Inc., 150 Sullivan Street, Brooklyn, New York 11231, effective April 21, 1977. (It supersedes Approval No. 160.035/97/7 dated October 30, 1972 to show alternate engine.)

Approval No. 160.035/230/5, 22.0' x 7.5' x 3.17' aluminum, oar-propelled lifeboat, 30-person capacity, identified by construction and arrangement dwg. No. 22-2D, Rev. K dated April 3, 1969, 46 CFR 160.035-13(c) Marking, Weights: Condition "A"—1,800 pounds; Condition "B"—7,515 pounds, manufactured by Marine Safety Equipment Corporation, Foot of Wyckoff Road, Farmingdale, New Jersey 07727, effective April 8, 1977. (It is an extension of Approval No. 160.035/230/5 dated June 21, 1972.)

Approval No. 160.035/424/2, 28.0' x 8.46' x 3.79' steel, oar-propelled, 55-person capacity, identified by construction and arrangement dwg. No. 28-10B, Rev. C dated May 18, 1972, 46 CFR 160.035-13(c) Marking, Weights: Condition

"A"—4,500 pounds; Condition "B"—14,711 pounds, manufactured by Marine Safety Equipment Corporation, Foot of Wyckoff Road, Farmingdale, New Jersey 07727, effective April 8, 1977. (It is an extension of Approval No. 160.035/424/2 dated June 21, 1972.)

BUOYS, LIFE, RING, UNICELLULAR PLASTIC

Approval No. 160.050/98/0, 24-inch, coated unicellular plastic foam ring life buoy, manufactured in accordance with U.S.C.G. Specification Subpart 160.050 and Approval Number 160.050/89/revision No. in effect on date of manufacture, Type, IV PFD, manufactured by The Massalite Company, Box 214, Winnetka, Illinois 60093, for Recreonics Corporation, 1635 Expo Lane, Indianapolis, Indiana 46224, effective April 1, 1977.

Approval No. 160.050/99/0, 30-inch, coated unicellular plastic foam ring life buoy, manufactured in accordance with U.S.C.G. Specification Subpart 160.050 and Approval Number 160.050/90/revision No. in effect on date of manufacture, Type IV PFD, manufactured by The Massalite Company, Box 214, Winnetka, Illinois 60093, for Recreonics Corporation, 1635 Expo Lane, Indianapolis, Indiana 46224, effective April 1, 1977.

LAUNCHING DEVICE FOR INFLATABLE LIFE RAFTS

Approval No. 160.063/3/0, Type FR-50 fixed-arm davit with R-50H-1 winch, approved for a maximum working load of 5,000 lbs. by a one-part fall; identified by general arrangement drawing D1-F-281, revision B dated December 12, 1976 and drawing list dated April 12, 1977, manufactured by Marine Safety Equipment Corporation, Foot of Wyckoff Road, Farmingdale, New Jersey 07727, effective April 21, 1977.

MARINE BUOYANT DEVICE

Approval No. 160.064/1153/0, adult small, Model No. YV-S, cloth covered unicellular plastic foam "Yachting Vest", manufactured in accordance with U.S.C.G. Specification Subpart 160.064 and UL/MD report file No. MQ 7, Type III PFD, manufactured by Atlantic-Pacific Manufacturing Corporation, 124 Atlantic Avenue, Brooklyn, New York 11201, effective March 9, 1977.

Approval No. 160.064/1154/0, adult medium, Model No. YV-M, cloth covered unicellular plastic foam "Yachting Vest", manufactured in accordance with U.S.C.G. Specification Subpart 160.064 and UL/MD report file No. MQ 7, Type III PFD, manufactured by Atlantic-Pacific Manufacturing Corporation, 124 Atlantic Avenue, Brooklyn, New York 11201, effective March 9, 1977.

Approval No. 160.064/1155/0, adult large, Model No. YV-L, cloth covered unicellular plastic foam "Yachting Vest", manufactured in accordance with U.S.C.G. Specification Subpart 160.064 and UL/MD report file No. MQ 7, Type III PFD, manufactured by Atlantic-Pacific Manufacturing Corporation, 124 Atlantic Avenue, Brooklyn, New York 11201, effective March 9, 1977.

Approval No. 160.064/1156/0, adult X-large, Model No. YV-XL, cloth covered

unicellular plastic foam "Yachting Vest", manufactured in accordance with U.S.C.G. Specification Subpart 160.064 and UL/MD report file No. MQ 7, Type III PFD, manufactured by Atlantic-Pacific Manufacturing Corporation, 124 Atlantic Avenue, Brooklyn, New York 11201, effective March 9, 1977.

Approval No. 160.064/1157/0, adult XX-large, Model No. YV-XXL, cloth covered unicellular plastic foam "Yachting Vest", manufactured in accordance with U.S.C.G. Specification Subpart 160.064 and UL/MD report file No. MQ 7, Type III PFD, manufactured by Atlantic-Pacific Manufacturing Corporation, 124 Atlantic Avenue, Brooklyn, New York 11201, effective March 9, 1977.

Approval No. 160.064/1158/0, adult medium, Model No. YV-Magnum, cloth covered unicellular plastic foam "Yachting Vest", manufactured in accordance with U.S.C.G. Specification Subpart 160.064 and UL/MD report file No. MQ 7, Type III PFD, manufactured by Atlantic-Pacific Manufacturing Corporation, 124 Atlantic Avenue, Brooklyn, New York 11201, effective March 9, 1977.

Approval No. 160.064/1159/0, adult super small, Model LYV-SS, a cloth covered unicellular plastic foam "Ladies Yacht Vest", manufactured in accordance with U.S.C.G. Specification Subpart 160.064 and UL/MD report file No. MQ 7, Type III PFD, manufactured by Atlantic-Pacific Manufacturing Corporation, 124 Atlantic Avenue, Brooklyn, New York 11201, effective March 9, 1977.

Approval No. 160.064/1160/0, adult small, Model LYV-S, cloth covered unicellular plastic foam "Ladies Yacht Vest", manufactured in accordance with U.S.C.G. Specification Subpart 160.064 and UL/MD report file No. MQ 7, Type III PFD, manufactured by Atlantic-Pacific Manufacturing Corporation, 124 Atlantic Avenue, Brooklyn, New York 11201, effective March 9, 1977.

Approval No. 160.064/1161/0, adult medium, Model LYV-M, cloth covered unicellular plastic foam "Ladies Yacht Vest", manufactured in accordance with U.S.C.G. Specification Subpart 160.064 and UL/MD report file No. MQ 7, Type III PFD, manufactured by Atlantic-Pacific Manufacturing Corporation, 124 Atlantic Avenue, Brooklyn, New York 11201, effective March 9, 1977.

Approval No. 160.064/1162/0, child small, Model No. CSV-S, cloth covered unicellular plastic foam "Child Safety Vest", manufactured in accordance with U.S.C.G. Specification Subpart 160.064 and UL/MD report file No. MQ 7, Type III PFD, manufactured by Atlantic-Pacific Manufacturing Corporation, 124 Atlantic Avenue, Brooklyn, New York 11201, effective March 9, 1977.

Approval No. 160.064/1163/0, child medium, Model No. CSV-M, cloth covered unicellular plastic foam "Child Safety Vest", manufactured in accordance with U.S.C.G. Specification Subpart 160.064 and UL/MD report file No. MQ 7, Type III PFD, manufactured by Atlantic-Pacific Manufacturing Corporation, 124 Atlantic Avenue, Brooklyn, New York 11201, effective March 9, 1977.

Approval No. 160.064/1164/0, child large, Model No. CSV-L, cloth covered unicellular plastic foam "Child Safety Vest", manufactured in accordance with U.S.C.G. Specification Subpart 160.064 and UL/MD report file No. MQ 7, Type III PFD, manufactured by Atlantic-Pacific Manufacturing Corporation, 124 Atlantic Avenue, Brooklyn, New York 11201, effective March 9, 1977.

TELEPHONE SYSTEMS, SOUND-POWERED

Approval No. 161.005/29/3, sound powered telephone station bell, vibrating, 3", 6", and 8" sizes, watertight, dwg. No. 20-162-2, Alt. 7 dated January 6, 1972, Types 3B, 6B, 8B, 3P, 6P, 8P, 3BH, 6BH, and 8BH, for use with sound powered telephone hand generator, manufactured by Henschel Corporation, Amesbury, Massachusetts 01913, effective April 8, 1977. (It is an extension of Approval No. 161.005/29/3 dated May 17, 1977.)

CLASS A EPIRB

Approval No. 161.011/9/0, Model ACR/RLB-14, Class A, float free, emergency position indicating radio beacon, FCC Type accepted on October 6, 1976, under 47 CFR Part 83, manufactured by ACR Electronics, Inc., 3901 North 29th Avenue, Hollywood, Florida 33020, effective March 29, 1977.

BULKHEAD PANELS FOR MERCHANT VESSELS

Approval No. 164.008/84/0, "Cape Marine Board", mineral composition board bulkhead panel system, identical to that described in Underwriters Laboratories, Inc. test report R7871-3 (76NK6601) dated October 28, 1976, approved as meeting Class B-15 requirements in 3/4 inch (19mm) thickness, 40.2 640 kg/m³ pounds per cubic foot density, manufactured by Cape Boards and Panels Limited, Germiston Works, Petershill Road, Glasgow G21 4AU, Scotland, Plant: Germiston Works, Petershill, Glasgow, Scotland, effective April 6, 1977.

Dated: June 3, 1977.

W. M. BENKERT,
Rear Admiral, U.S. Coast Guard
Chief, Office of Merchant Marine Safety.

[FR Doc.77-16355 Filed 6-8-77; 8:45 am]

[CGD 77 108]

WEEKS PETROLEUM CORP.

Notice of Qualification as a Citizen of the United States

This is to give notice that pursuant to 46 CFR 67.23-7, issued under the provisions of section 27A of the Merchant Marine Act, 1920, as added by the Act of September 2, 1958 (46 U.S.C. 883-1), Weeks Petroleum Corporation of 287 Riverside Avenue, Westport, Connecticut 06880, incorporated under the laws of the State of Delaware, did on May 16, 1977, file with the Commandant, United States Coast Guard, in duplicate, an oath for qualification of the corporation as a citizen of the United States following the forms of oath prescribed in Form CG-1260.

The oath shows that:

(a) A majority of the officers and directors of the corporation are citizens of the United States;

(b) Not less than 90 percent of the employees of the corporation are residents of the United States;

(c) The corporation is engaged primarily in a mineral industry in the United States, or in a Territory, District, or possession thereof;

(d) The aggregate book value of the vessels owned by the Corporation will not exceed 10 percent of the aggregate book value of the assets of the corporation; and

(e) The corporation purchases or produces in the United States, its Territories or possessions not less than 75 percent of the raw materials used or sold in its operations.

The Commandant, United States Coast Guard, having found this oath to be in compliance with the law and regulations, on May 19, 1977, issued to Weeks Petroleum Corporation a certificate of compliance on Form CG-1262, as provided for in 46 CFR 67.23-7. The certificate and any authorization granted thereunder will expire three years from May 19, 1977, unless there first occurs a change in the corporate status requiring a report under 46 CFR 67.23-7.

Dated: June 3, 1977.

W. M. BENKERT,
Rear Admiral, U.S. Coast Guard,
Chief, Office of Merchant Marine Safety.

[FR Doc.77-16354 Filed 6-8-77; 8:45 am]

Materials Transportation Bureau, Office of Pipeline Safety Operations

[OPSO Docket No. 77-6]

TRANS-ALASKA CRUDE OIL PIPELINE

Waiver on 13 Repaired Girth Welds at Valdez Terminal

By petition dated June 1, 1977 (following confirmation of a verbal request made on May 6, 1977), the Alyeska Pipeline Service Company (Alyeska) requested that a waiver be granted from the requirements of 49 CFR 195.230 and 49 CFR 195.232 for 13 repaired girth welds in the Trans-Alaska Pipeline System (TAPS) in the Valdez terminal. Those girth welds are in the terminal piping represented in the Fluor Ocean Services, Inc., drawing "D-50-M1558," dated August 9, 1976, Valdez Terminal, Crude System-B31.4 49 CFR 195 and drawing "D-50-M1559," dated August 9, 1976, Valdez Terminal, Crude, Crude Transfer and Relief ANSI-B31.4. The 13 repaired girth welds are listed below in Table 1, setting forth pertinent information relative to each weld. There were nonconformance reports issued on 11 of the 13 welds by the Alaska Pipeline Office of the Department of the Interior for not meeting Department of Transportation (DOT) standards. The other two were not acceptable by Alyeska Quality Assurance for not meeting DOT standards.

Table 1
Repaired Girth Welds Subject to Waiver Request

Weld No.	Connection	Size	DOT Section Violated*	Description of Violation	APD NCR	Design Pressure	Operating Pressure	Test Pressure	Aboveground Belowground
743	Ell to Ell	48"	(2) (4)	two repairs	--	275	50	550	A/G
946	Tee to valve	48"	(1) (3)	repair crack	4125	275	50	550	A/G
948	Ell to valve	48"	(1) (3)	repair crack	4126	275	50	550	A/G
1039	Tee to valve	48"	(1) (3)	repair crack	4125	720	200	510	A/G
1043	Tee to valve	48"	(1) (3)	repair crack	4125	720	200	720	A/G
1051	Ell to valve	48"	(1) (3)	repair crack	4125	720	200	510	A/G
121C	Pipe to pipe	36"	(2) (4)	two repairs	4126	275	50	550	A/G
203	Pipe to pipe	36"	(2) (4)	two repairs	4126	275	50	550	A/G
327	Pipe to pipe	36"	(2) (4)	four repairs	4126	275	50	550	A/G
622	Pipe to pipe	48"	(2) (4)	two repairs	--	720	200	740	B/G 25"
723	Pipe to pipe	48"	(2) (4)	two repairs	4126	275	50	550	A/G
963	Pipe to pipe	48"	(2) (4)	two repairs	4126	275	50	550	A/G
1121	Pipe to pipe	48"	(1) (3)	repair crack	4126	275	50	550	A/G

* The listed numbers correspond to sections as follows:

- (1) - §95.230(a)(1)
- (2) - §95.230(a)(2)
- (3) - §95.232(a)
- (4) - §95.232(c)

As Table 1 indicates, 6 of the 13 welds contained cracks which are not allowed to be repaired by DOT standards. The remaining seven were repaired more than once at the same weld location which is likewise not allowed by DOT standards. In each of the above two instances, DOT standards require the weld in question to be completely removed, the ends beveled, and a new weld made.

In performing the repairs to the 13 welds, Alyeska followed its established procedures for the repair of welds not subject to the regulations in 49 CFR Part 195 since it believed, at that time, that these welds were not subject to the regulations. Since that time, it has been established that the lines containing these welds are clearly subject to the regulations in 49 CFR Part 195.

In support of its petition, Alyeska states that the repaired cracks and multiple repair of defects provide an adequate level of safety and protection and should not be required to be removed for the following reasons:

With respect to girth welds connecting two fittings or a fitting and a valve (weld numbers 743, 946, 948, 1039, 1043, and 1051):

1. The existing weld cannot be removed, the ends beveled, and new welds produced since in each case the joint design would be altered precluding the production of a sound weld. Moreover, since the manifold piping is rigid, tied in to concrete, and cannot be shifted for a new lineup, the spacing remaining after removal and bevel would be too great to produce a sound weld.

2. The cost and time required to obtain replacement valves would be prohibitive. It takes approximately six months to obtain replacements for 48-inch valves which are unique to the trans-Alaska pipeline. In the case of 36-inch valves, the procurement time would be only slightly less.

3. Each replacement fitting would take approximately six months to obtain since fittings of his size are also unique to the trans-Alaska pipeline.

4. The valves and fittings involved are located in manifolded assemblages of several valves and fittings lacking adequate work space for their removal without disassembly of perhaps the entire manifold.

5. If one fitting is replaced with another fitting, the range of dimensional tolerances of the fittings would make matching lineup extremely difficult and perhaps impossible without further disassembly of the manifold assembly. For example, the length dimension of a replacement tee could vary by as much as 3/4 inch.

6. The repair procedures in Alyeska welding specification SWP-100AP used in repairing these girth welds were developed in accordance with the guidelines in the repair procedures in American Petroleum Institute Standard 1104 (API 1104), Section 7.

7. The weld repairs were conducted under closely controlled conditions. They were closely monitored and documented,

and all documentation including radiographic records of each repair are available for review.

8. As indicated in Table 1, each repaired girth weld has been pressure tested far in excess of the operating and design pressure of the pipeline.

9. Because spillage due to a failure from these girth welds would be within the confines of the terminal, a leak could be quickly detected and repair crews quickly mobilized to contain and stop the spillage.

With respect to girth welds connecting one section of pipe to another section of pipe (weld numbers 121C, 203, 327, 622, 723, 963, and 1121):

1. Except for girth weld number 622, each of these girth welds is located within a diked area so that any spillage due to a failure would be contained by the dike and the environmentally sensitive Valdez area would not be affected. Furthermore, a leak could quickly be detected and repair crews quickly mobilized to stop the spillage.

2. Weld number 622 is buried 25 feet deep and the excavation and repair of this girth weld would be extremely costly.

3. The repair procedures in Alyeska weld specification SWP-100AP used in repairing these girth welds were developed in accordance with the guidelines in the repair procedures in API 1104, Section 7.

4. The weld repairs were conducted under closely controlled conditions. They were closely monitored and documented, and all documentation including radiographic records of each repair are available for review.

5. As indicated in Table 1, each repaired girth weld has been pressure tested far in excess of the operating and design pressure of the pipeline.

A representative of the Office of Pipeline Safety Operations (OPSO) has inspected the girth welds in question and found that the circumstances described by Alyeska in support of its petition for waiver to be accurate.

The OPSO, through cooperation with the Energy Research and Development Administration (ERDA), had its contractor, Rockwell International, examine Alyeska's radiographs of the 13 original welds and each of the repaired welds. As a result, Rockwell radiographic experts have confirmed that (1) the defects indicated in Alyeska's documentation were correctly identified, (2) each of those defects has been removed, and (3) none of the repaired girth welds now contains any defect.

The OPSO has also noted that since these girth welds are in the network of terminal piping, flow in these lines can easily be diverted to other lines in the event of a failure, thereby facilitating the repair of such leaks.

It is also appropriate to point out that the OPSO has recently granted to Michigan-Wisconsin Pipeline Company (Michigan-Wisconsin) a waiver from the regulations regarding the removal of cracks in girth welds. In evaluating the peti-

tion for that waiver, OPSO concluded that the extensive testing conducted by Michigan-Wisconsin established that cracks can be adequately repaired by following the repair procedures called for in API 1104, Section 7. The repair procedures followed by Alyeska in repairing the 13 welds for which this waiver is requested are essentially those employed by Michigan-Wisconsin.

After review and deliberation of all the information submitted by Alyeska, and other relevant information, MTB finds that a waiver from the applicable provisions of 49 CFR 195.230 and 195.232 for the 13 welds in question is appropriate and consistent with pipeline safety for the following reasons:

1. With regard to all 13 girth welds:

(a) The existing welds have been found by ERDA radiographic experts to be free of defects;

(b) The welds have withstood a hydrostatic test without leakage or failure at pressures far in excess of what they will be subjected during operation; and

(c) The repairs to the welds were made under closely controlled conditions with various levels of inspection by the contractor, Alyeska, and the Federal government further assuring established procedures were followed during repair and sound welds exist.

2. With specific regard to the girth welds that connect two fittings or a fitting to a valve (weld numbers 743, 946, 948, 1039, 1043, and 1051):

(a) If the weld was removed and a new weld made, the problems with proper lineup, excessive space to be filled with weld metal, and destruction of the original joint design by beveling would result in a weld not as safe as the existing one; and

(b) The excessive cost involved in replacing the valves or fittings is not justified for the reasons cited in paragraphs (1) and (2) (a) above.

3. With specific regard to girth weld number 622, which connects one pipe with another and is buried, the costly 25-foot excavation to reach that girth weld for replacement is not justified for the reasons cited in paragraph (1) above.

4. With specific regard to the other girth welds that connect one pipe to another pipe (weld numbers 121C, 203, 327, 723, 963, and 1121), even in the unlikely event of a leak in any of these welds, the spillage would be contained and not create an environmental problem or safety hazard since each weld is located within a diked area.

Accordingly, effective immediately, the Alyeska Pipeline Service Company is hereby granted a waiver from compliance with the requirements of 49 CFR 195.230 (a) and 49 CFR 195.232 (a) and (c) for the 13 girth welds listed in Table 1.

(18 U.S.C. 831-835; 49 CFR 1.53(g).)

Issued in Washington, D.C., on June 3, 1977.

JAMES T. CURTIS, JR.,
Director, Materials
Transportation Bureau.

[FR Doc. 77-16346 Filed 6-8-77; 8:45 am]

DEPARTMENT OF THE TREASURY

Customs Service

(049575)

AMERICAN MANUFACTURER'S PETITION

Receipt of an American Manufacturer's Petition To Revoke Duty-Free Treatment Under the Generalized System of Preferences for Diuron Formulated Into a Wettable Powder and Imported From Israel

AGENCY: United States Customs Service, Department of the Treasury.

ACTION: Notice of receipt of American manufacturer's petition.

SUMMARY: The Customs Service has received a petition from an American manufacturer of chemicals requesting that diuron formulated into a wettable powder not be granted free entry under the Generalized System of Preferences (GSP) when imported from Israel. The petitioner does not believe that the product meets the requirements set forth in the law for duty-free treatment under GSP.

DATES: Interested persons may comment on this petition, and comments must be received on or before July 11, 1977.

ADDRESS: Comments may be addressed to the Commissioner of Customs, Attention: Special Projects and Programs Branch, 1301 Constitution Avenue NW., Washington, D.C. 20229.

FOR FURTHER INFORMATION CONTACT:

Ronald W. Gerdes, Attorney, Special Projects and Programs Branch, United States Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229. (202-566-5786).

SUPPLEMENTAL INFORMATION:

BACKGROUND

A petition has been filed under section 516 of the Tariff Act of 1930, as amended (19 U.S.C. 1516), by E. I. du Pont de Nemours & Company of Wilmington, Delaware, an American manufacturer of chemicals. The petitioner requests that diuron formulated into a wettable powder not be granted free entry under the Generalized System of Preferences (GSP) when imported from Israel. The petitioner believes that the product does not meet the "value-added" requirements to qualify for free entry under GSP.

Under section 503 of the Trade Act of 1974 (19 U.S.C. 2463), in order to qualify for duty-free entry under the Generalized System of Preferences, 35% of the final appraised value of the merchandise must consist of either direct costs of processing operations performed in the beneficiary developing country or of

materials produced in the beneficiary developing country. The petitioner indicates that in his view the products in question should be classified under item 405.15 of the Tariff Schedules of the United States with appraised value based on the American Selling Price. The petitioner further indicates that as the largest producer of these materials in the United States it has supplied information as to the domestic selling price for the merchandise to the Area Director of Customs of the New York Seaport. The petitioner then describes the manufacturing process for the goods and indicates that on the best information at its disposal it does not appear that any materials which could be considered to have been produced in Israel are used in the manufacture of the product. Additionally, based upon petitioner's knowledge of the production process, petitioner does not believe that the "direct costs of processing operations" are sufficient to reach 35% of the American Selling Price for the merchandise.

This notice is being published in accordance with section 175.21(a) of the Customs Regulations (19 CFR 175.21(a)).

COMMENTS

Under § 175.21(b) of the Customs Regulations copies of the submitted petition are available for public inspection by interested parties. Copies may be obtained during regular business hours from Mr. Ronald W. Gerdes, Attorney, Special Projects and Programs Branch, United States Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229. (202-566-5786).

G. R. DICKERSON,

Acting Commissioner of Customs.

[FR Doc. 77-16307 Filed 6-8-77; 8:45 am]

Office of the Secretary

PRESSURE SENSITIVE PLASTIC TAPE, MEASURING OVER ONE AND THREE-EIGHTHS INCHES IN WIDTH AND NOT EXCEEDING FOUR MILS IN THICKNESS, FROM WEST GERMANY

Determination of Sales at Less Than Fair Value and Discontinuance of Investigation

AGENCY: United States Treasury Department.

ACTION: Determination of Sales at Less Than Fair Value and Discontinuance of Investigation.

SUMMARY: This notice is to advise the public that it has been determined that certain pressure sensitive plastic tape from West Germany is being, or is likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended, except that produced and sold by Nopi GMBH and Beiersdorf

A.G. Sales at less than fair value generally occur when the prices of the merchandise sold for exportation to the United States are less than the price of such or similar merchandise sold in the home market or to third countries. In the case of Nopi and Beiersdorf, the investigation is being discontinued since it was determined that the extent of sales at less than fair value was minimal in relation to total sales. Appropriate assurances have been received from those manufacturers that future sales will not be made at less than fair value. Regarding other sales, this case is being referred to the International Trade Commission for a determination whether a United States industry is being injured.

EFFECTIVE DATE: June 9, 1977.

FOR FURTHER INFORMATION CONTACT:

David P. Mueller, Duty Assessment Division, Office of Operations, United States Customs Service, 1301 Constitution Avenue, N.W., Washington, D.C. 20229 (202-566-5492).

SUPPLEMENTARY INFORMATION:

Information was received in proper form on August 5, 1976, from the 3-M Company, St. Paul, Minnesota, alleging that pressure sensitive plastic tape from West Germany was being sold at less than fair value, thereby causing injury to, or the likelihood of injury to, or the prevention of the establishment of an industry in the United States, within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.) (referred to in this notice as "the Act"). On the basis of this information and subsequent preliminary investigation by the Customs Service, an "Antidumping Proceeding Notice" was published in the FEDERAL REGISTER of August 30, 1976 (41 FR 36521).

A "Withholding of Appraisement Notice" was published in the FEDERAL REGISTER of March 3, 1977 (42 FR 12285), with regard to pressure sensitive plastic tape from West Germany. In that notice the scope of the investigation was limited to pressure sensitive plastic tape exceeding 1 1/2 inches in width and not exceeding 4 mils in thickness. An "Amendment of Withholding of Appraisement Notice" was published in the FEDERAL REGISTER of March 28, 1977 (42 FR 16532), correcting certain errors in the notice of March 3, 1977.

DETERMINATION OF SALES AT LESS THAN FAIR VALUE AND DISCONTINUANCE OF INVESTIGATION

I hereby determine that, for the reasons stated below, pressure sensitive plastic tape, measuring over one and three-eighths inches in width and not exceeding four mils in thickness, from West

Germany is being, or is likely to be, sold at less than fair value within the meaning of section 201(a) of the Act (19 U.S.C. 160(a)). In the case of pressure sensitive plastic tape, measuring over and under three-eighths inches in width and not exceeding four mils in thickness, from West Germany produced and sold by Nopi GmbH and Beiersdorf A.G., I hereby discontinue the antidumping investigation.

STATEMENT OF REASONS ON WHICH THIS DETERMINATION IS BASED

The reasons and bases for the above determination are as follows:

(A) SCOPE OF THE INVESTIGATION

Nearly 100 percent of the imports of the subject merchandise from West Germany are manufactured by Braas and Company GmbH, Frankfurt, West Germany (Braas); Nopi GmbH, Flensburg, West Germany (Nopi); and Beiersdorf A.G., Hamburg, West Germany (Beiersdorf). Therefore, the investigation was limited to these three manufacturers.

(B) BASIS OF COMPARISON

For the purposes of considering whether the merchandise in question is being, or is likely to be, sold at less than fair value within the meaning of the Act, the proper basis of comparison is between the purchase price, or the exporter's sales price, and the home market price of such or similar merchandise. Purchase price, as defined in section 203 of the Act (19 U.S.C. 162), was used on sales by Braas, since all export sales to the United States were made to a non-related customer. On sales by Nopi and Beiersdorf, the proper basis of comparison is between exporter's sales price, as defined in section 204 of the Act (19 U.S.C. 163), since sales in the United States are made by importers who are related to the exporters of the merchandise. Home market price, as defined in § 153.2 Customs Regulations (19 CFR 153.2), was used since such or similar merchandise is sold in the home market in sufficient quantities to provide a basis of comparison for fair value. Some sales in the home market, as alleged, were at less than the cost to produce. However, after disregarding those sales made over an extended period of time and in substantial quantities and at prices that do not permit recovery of all costs in a reasonable period of time, there remained sufficient home market sales with which to determine fair value.

In accordance with § 153.31(b), Customs Regulations (19 CFR 153.31(b)), pricing information was obtained concerning imports and home market sales of pressure sensitive plastic tape from West Germany during the period February 1 through August 31, 1976.

(C) PURCHASE PRICE

For the purposes of this determination of sales at less than fair value, the purchase price has been calculated on the basis of a c. and f. price to the U.S. customer. A deduction was made for the inland and ocean transportation costs included in the price.

(D) EXPORTER'S SALES PRICE

For the purposes of this determination of sales at less than fair value, the exporter's sales price has been calculated on the basis of the price to unrelated United States customers. Deductions have been made for ocean freight and insurance, brokerage charges, inland freight, United States import duties, commissions, cash discounts, and for expenses incurred in selling the merchandise in the United States. In addition, costs of manufacturing operations performed in the United States were deducted when incurred.

(E) HOME MARKET PRICE

For the purposes of this determination of sales at less than fair value, the home market price has been calculated on the basis of the delivered price in the home market to wholesalers. Adjustments have been made for the differences in the amount of tape sold per individual roll in the two markets.

In the case of Braas, adjustments were made for freight, commissions, cash discounts, and cutting, production and credit cost differentials in the two markets. Counsel for Braas has claimed an allowance for selling and stocking costs incurred on home market sales but not on sales for export to the United States. These costs do not bear that direct relationship to sales envisioned in § 153.10 of the Customs Regulations (19 CFR 153.10). These selling and stocking costs, incurred prior to sale, do not, therefore, bear a direct relationship to the sales under consideration.

A claim for adjustment was also made by counsel for Braas regarding the United States importer's costs of purchasing Deutsche Mark futures since the importer was required to make all payments in Deutsche Marks. This claim was disallowed since the option of buying currency futures was at the discretion of the importer and in no way affected the net return to the manufacturer.

An allowance for bad debts incurred by Braas in the home market was requested by counsel. Bad debts are regarded as an overhead expense item which does not qualify for an allowance under the provisions of § 153.10, Customs Regulations (19 CFR 153.10).

In the case of Nopi, adjustments have been made for inland freight and insurance, cash discounts, bonus payments to purchasers, and commissions. An adjustment has also been made for selling expenses incurred in the home market, but not exceeding the amounts incurred in the United States as provided by § 153.10 (b) Customs Regulations (19 CFR 153.10 (b)).

In the case of Beiersdorf, adjustments have been made for cash discounts, bonus payments, freight, and selling expenses. However, in accordance with § 153.10(b), the adjustment for selling expenses incurred in the home market was made in an amount not in excess of those expenses incurred in the United States market.

(F) RESULTS OF FAIR VALUE COMPARISONS

Using the above criteria, comparisons were made on approximately 85 percent of the subject merchandise exported to the United States by the three West German manufacturers during the investigative period. Margins were found ranging from less than 1 to 13 percent for sales made by Braas on nearly 100 percent of sales compared, and from less than 1 to 11 percent for sales made by Nopi on 17 percent of sales compared. For Beiersdorf, margins under 1 percent were found on 42 percent of sales compared. Weighted average margins across each firm's sales compared were approximately 9 percent for Braas, 0.81 percent for Nopi, and 0.36 percent for Beiersdorf. The margins found on sales by Nopi and Beiersdorf are regarded to be minimal in relation to the volume of exports by those manufacturers. Both Nopi and Beiersdorf have furnished assurances that future sales will be made at prices not less than fair value.

The Secretary has provided an opportunity to known interested persons to present written and oral views pursuant to § 153.40, Customs Regulations (19 CFR 153.40).

The United States International Trade Commission is being advised of this determination.

The order issued March 3, 1977, to withhold appraisement on the subject merchandise from West Germany, the notice of which is cited above, is hereby terminated with respect to Nopi GmbH and Beiersdorf A.G., effective upon publication of this notice.

This determination and discontinuance are being published pursuant to section 201(d) of the Act (19 U.S.C. 160(d)), and § 153.38, Customs Regulations (19 CFR 153.38), respectively.

Dated: June 3, 1977.

HENRY C. STOCKELL, JR.,
Acting General Counsel.

[FR Doc. 77-16249 Filed 6-8-77; 8:45 am]

INTERSTATE COMMERCE COMMISSION

[Notice No. 409]

ASSIGNMENT OF HEARINGS

JUNE 6, 1977.

Cases assigned for hearing, postponement, cancellation or oral argument appear below and will be published only once. This list contains prospective assignments only and does not include cases previously assigned hearing dates. The hearings will be on the issues as presently reflected in the Official Docket of the Commission. An attempt will be made to publish notices of cancellation of hearings as promptly as possible, but interested parties should take appropriate steps to insure that they are notified of cancellation or postponements of hearings in which they are interested.

MC 136168 (Sub-Nos. 5 and 11), Wilson Certified Express, Inc., now assigned July 20, 1977 at Omaha, Nebraska, has been postponed indefinitely.

MC-F-12812, All-American, Inc.—Purchase—Nebraska City Transfer, now being assigned July 20, 1977 (3 days) in Room 616 Union Pacific Plaza, 110 North 14th Street, 14th and Dodge, Omaha, Nebraska.

MC 107515 Sub 1002, Refrigerated Transport Co., Inc. now being assigned June 27, 1977 for continued hearing at the Offices of the Interstate Commerce Commission in Washington, D.C.

MC 142497 Sub 1, Atlantic Charter Bus Service, Inc. now being assigned August 2, 1977 (4 days) at Norfolk, Virginia in a hearing room to be later designated.

MC 142491 (Sub-1), D & E Transports, Inc., now assigned June 21, 1977 at Omaha, Nebraska, hearing canceled and the application is dismissed.

MC 136595 Sub 6, Eastside Enterprises, Inc. now being assigned July 20, 1977 (3 days) at Seattle, Washington and will be held in Room 1844, Federal Office Building, 1915 Second Avenue.

MC 119988 Sub 103, Great Western Trucking Co., Inc. now being assigned July 18, 1977 (2 days) at Seattle, Washington and will be held in Room 1844, Federal Office Building, 1915 Second Avenue.

MC 128224 (Sub-No. 2), George F. Johnson, now assigned for hearing on June 9, 1977, at Washington, D.C. is canceled and transferred to Modified Procedure.

MC 98864 (Sub-2), Edward Siter Trucking Co., Inc., now being assigned September 7, 1977 (3 days) at Chicago, Illinois, in a hearing room to be later designated.

MC 118495 (Sub-No. 5), Cooper Freight Lines, Inc., now being assigned September 19, 1977 (1 week), at Anchorage, Alaska in a hearing room to be later designated.

ROBERT L. OSWALD,
Secretary.

[FR Doc.77-16365 Filed 6-8-77; 8:45 am]

J. B. MONTGOMERY, INC.

[EX PARTE NO. MC-43]

Lease and Interchange of Vehicles by Motor Carriers

JUNE 6, 1977.

At a Session of the Interstate Commerce Commission, Motor Carrier Leasing Board, held at its office in Washington, D.C., on the 23rd day of May, 1977.

It appearing, that a petition has been filed by J. B. Montgomery, Inc. (MC-

123639 and numerous subs) and Dunkley Refrigerated Transport, Inc. (MC-117823 and numerous subs), under common control by Transpo International, Inc., for waiver of paragraphs (a)(3) and (c) of Section 1057.4 of the Lease and Vehicles Regulations (49 C.F.R. 1057), concerning equipment leased between petitioners;

It further appearing, that petitioners have a jointly administered program applying the same standards of inspection and maintenance to equipment in accordance with the Motor Carrier Safety Regulations of the U.S. Department of Transportation;

It further appearing, that the U.S. Department of Transportation offers no objection to a grant of the petition based on an examination of petitioners' records;

It further appearing, that no enforcement action is pending involving the fitness of petitioners;

It is ordered, That waiver of paragraphs (a)(3) and (c) of Section 1057.4, be, and it is hereby granted, provided that the equipment is inspected on the day it is to be leased and found to meet the requirements of the Motor Carrier Safety Regulations of the U.S. Department of Transportation and that petitioners remain in satisfactory compliance with those regulations and under common control.

By the Commission, Motor Carrier Leasing Board, Board Members Burns, Turkington, and Sibbald.

ROBERT L. OSWALD,
Secretary.

[FR Doc.77-16362 Filed 6-8-77; 8:45 am]

[Notice No. 176]

MOTOR CARRIER TRANSFER PROCEEDINGS

JUNE 6, 1977.

Application filed for temporary authority under Section 210a(b) in connection with transfer application under Section 212(b) and Transfer Rules, 49 CFR Part 1132:

No. MC-FC 77150. By application filed May 27, 1977, ASSEMBLY & DISTRIBUTION TERMINALS OF MASS., INC., 90 Western Avenue, Allston, MA 02134, seeks temporary authority to transfer the operating rights of Trans Services, Inc., 20 Brewster Road, West Springfield, MA 01080, under section 210a(b). The transfer to Assembly & Distribution Terminals of the operating rights of Trans Services, Inc., is presently pending.

By the Commission.

ROBERT L. OSWALD,
Secretary.

[FR Doc.77-16363 Filed 6-8-77; 8:45 am]

[Notice No. 175]

MOTOR CARRIER BOARD TRANSFER PROCEEDINGS

The following publications include motor carrier, water carrier, broker, and freight forwarder transfer applications filed under Section 212(b), 206(a), 211,

312(b), and 410(g) of the Interstate Commerce Act.

Each application (except as otherwise specifically noted) contains a statement by applicants that there will be no significant effect on the quality of the human environment resulting from approval of the application.

Protests against approval of the application, which may include a request for oral hearing, must be filed with the Commission within 30-days after the date of this publication. Failure seasonably to file a protest will be construed as a waiver of opposition and participation in the proceeding. A protest must be served upon applicants' representative(s), or applicants (if no such representative is named), and the protestant must certify that such service has been made.

Unless otherwise specified, the signed original and six copies of the protest shall be filed with the Commission. All protests must specify with particularity the factual basis, and the section of the Act, or the applicable rule governing the proposed transfer which protestant believes would preclude approval of the application. If the protest contains a request for oral hearing, the request shall be supported by an explanation as to why the evidence sought to be presented cannot reasonably be submitted through the use of affidavits.

The operating rights set forth below are in synopsis form, but are deemed sufficient to place interested persons on notice of the proposed transfer.

No. MC-FC-77090, filed April 18, 1977. Transferee: LAKE TRUCKING COMPANY, INC., P.O. Box 104, 510 East 1st Ave., Corsicana, Texas 75110. Transferor: M. Don Lake, doing business as LAKE TRUCKING COMPANY, P.O. Box 104, 510 East 1st Avenue, Corsicana, Texas 75110. Applicant's representative: James W. Hightower, attorney at law, 136 Wynnewood Professional Building, Dallas, Texas 75224. Authority sought for purchase by transferee of the operating rights of transferor as set forth in Certificate of Registration No. MC 97170 (Sub-No. 1), issued December 24, 1970, as follows: To and from all points in Texas the transportation of oilfield equipment and pipe when moving as oilfield equipment, pipe, trenching machines, tractors, drag lines, and various other specified commodities. Transferee presently holds no authority from this Commission; application has not been filed for temporary authority under Section 210a(b).

No. MC-FC-77105. Filed May 2, 1977. Transferee: ARTHUR H. FULTON, INC., P.O. Box 86, Stephens City, Virginia 23655. Transferor: Arthur H. Fulton, P.O. Box 86, Stephens City, Va. 23655. Applicant's representative: Charles E. Creager, attorney at law, P.O. Box 1417, Hagerstown, Maryland 21740. Authority sought for purchase by transferee of the operating rights of transferor, as set forth in Certificate No. MC 138000 (Sub-No. 3), MC 138000 (Sub-No. 5), MC 138000 (Sub-No. 6), MC 138000 (Sub-No. 16), MC 138000 (Sub-No. 16).

and MC 138000 (Sub-No. 19) issued July 12, 1973, November 3, 1975, November 3, 1975, November 4, 1976, and March 21, 1977 respectively; and Permit No. MC 129613 (Sub-No. 2), MC 129613 (Sub-No. 8) MC 129613 (Sub-No. 14) and MC 12913 (Sub-No. 15) issued March 21, 1977 September 29, 1972, March 21, 1977, and January 13, 1975, as follows: Apple products and fruit juices and malt beverages from and to specified points in Virginia, Indiana, New Jersey, North Carolina, Ohio, Maryland, West Virginia, Michigan, Missouri, Illinois, Pennsylvania, Georgia; and mulch, sawdust, wood chips, veneer and waste veneer, and lumber and commodities normally dealt in by department stores from and to specified points in the states of West Virginia, Kentucky, Indiana, New York, Pennsylvania, Maryland, North Carolina, South Carolina, Virginia, Ohio, Rhode Island, Connecticut, and the District of Columbia. Transferee presently holds no authority from this Commission. Application has not been filed for temporary authority under Section 210a(b).

No. MC-FC-77114, filed May 9, 1977. Transferee: HARRY H. KEMP, doing business as HARRY H. KEMP ENTERPRISES, P.O. Box 45, Oskaloosa, Iowa 52577. Transferor: Thomas W. Stanfield, doing business as Stanfield Trucking Company, Union, Iowa 50258. Applicant's representative: Kenneth F. Dudley, P.O. Box 279, 611 Church Street, Ottumwa, Iowa 52501. Authority sought for purchase by transferee of the operating rights of transferor, as set forth in Certificate No. MC 140269, issued March 19, 1975, as follows: Frozen foods from the facilities of Kitchens of Sara Lee at New Hampton, Iowa to points in Illinois, Indiana, Michigan, and Wisconsin. Transferee presently holds no authority from this Commission. Application has not been filed for temporary authority under Section 210a(b).

No. MC-FC-77132, filed May 18, 1977. Transferee: GUILLEY TRUCKING, INC., 8615 Pecan Avenue, Fontana, California 92335. Transferor: Bacil Guiley, 28615 Pecan Avenue, Fontana, California 92335. Applicant's representative: Milton W. Plack, attorney at law, 4311 Wilshire Boulevard Suite 300, Los Angeles, California 90010. Authority sought for purchase by transferee of the operating rights of transferor, as set forth in Permit No. MC 136086 (Sub-No. 1), MC 136086 (Sub-No. 3), and MC 136086 (Sub-No. 4) issued March 12, 1975, July 9, 1976, and February 18, 1977 respectively as follows: Uncrated mobile home and travel trailer chassis components from Hemet, Calif. to Phoenix and Casa Grande, Ariz.; steel joists and uncrated parts from Fontana, Calif. to points in Arizona, Nevada, and New Mexico; steel roof decking from Phoenix, Ariz., to points in California, Nevada, Utah, Colorado, New Mexico, and Texas; coiled sheet steel from points in California to Phoenix, Ariz.; paints from Dallas and Fort Worth, Tex. to Phoenix, Ariz.; and steel roofing, siding, and floor

decking from the facilities of Verco Manufacturing, Inc., at Fontana, Calif. to points in Arizona, Nevada, Utah, Wyoming, Washington, and Oregon. Transferee presently holds no authority from this Commission. Authority has not been filed for temporary authority under Section 210a(b).

No. MC-FC-77136, filed May 19, 1977. Transferee: SHOELMAN LINES OF TEXAS, INC., 6601 Long Point Road, P.O. Box 55966, Houston, Tex. 77055. Transferor: SWABCO, Inc., State Route 146, Dayton, Tex., P.O. Box 146, Liberty, Tex. 77575. Applicant's representative: Joe G. Fender, attorney at law, 1150 Pennzoll Place, 711 Louisiana, Houston, Tex. 77002. Authority sought for purchase by transferee of the operating rights of transferor set forth in Certificate of Registration No. MC 120571 (Sub-No. 1), issued August 5, 1976, as follows: Numerous specified commodities between all points within a two hundred mile radius of Lyons, Tex. Transferee presently holds authority from this Commission under Permits No. MC 134455 and No. MC 134455 (Sub-No. 2). Application has not been filed for temporary authority under Section 210a(b).

No. MC-FC-77138, filed May 19, 1977. Transferee: B.N.M. FERTILIZER TRANSPORT, INC., 6414 E. Houston Road, Houston, Tex. 77028. Transferor: Schoelman Lines of Texas, Inc., 6601 Long Point Road, Houston, Tex. 77055. Applicant's representative: Joe G. Fender, attorney at law, 1150 Pennzoll Place, South Tower, 711 Louisiana, Houston, Tex. 77002. Authority sought for purchase by transferee of the operating rights set forth in Permit No. MC 134455, issued October 15, 1974, as follows: Defluorinated phosphate feed supplements, from Houston, Tex., to points in Mississippi, limited to a transportation service to be performed under a continuing contract, or contracts, with Olin Corporation; and dry animal and poultry feeds and feed ingredients (except lime, urea, and salt), between points in Texas, on the one hand, and, on the other, points in Arkansas, Louisiana, and Mississippi, and Memphis and Tiptonville, Tenn., restricted to a transportation service to be performed under a continuing contract, or contracts with Nathan Segal & Company, Incorporated, of Houston, Tex. Transferee presently holds authority from this Commission under Certificate No. MC 119019. Application has not been filed for temporary authority under Section 210a(b).

No. MC-FC-77141, filed May 20, 1977. Transferee: JACK L. MASSENDER, doing business as ZILLAH HAULING SERVICE, N. 6502 Pittsburgh St., Spokane, Wash. 99207. Transferor: John W. Gillingham, Jr., doing business as Dependable Motor Freight, 1805 44th St., Cheney, Wash. 99004. Applicant's representative: George R. LaBissoniere, attorney at law, 1100 Northon Bldg., Seattle, Wash. 98104. Authority sought for purchase by transferee of the operating

rights of transferor, as set forth in Certificate No. MC 59412, issued August 28, 1971, as follows: Agricultural commodities, livestock, lumber, fuel sawdust bricks, wood fuel, and farm machinery, over irregular routes, between points in Spokane County, Washington, on the one hand, and, on the other, points in Bonner, Kootenai, Benewah and Latah Counties, Idaho. Transferee is presently authorized to operate as a carrier under permit No. MC 135886 and subs thereafter. Application has not been filed for temporary authority under Section 210a(b).

No. MC-FC-77142, filed May 20, 1977. Transferee: A & G TRUCKING COMPANY, INC., P.O. Drawer 338, Greenwood, S.C. 29646. Transferor: G & P Trucking Co., Inc., P.O. Drawer 338, Greenwood, S.C. 29646. Applicant's representative: William B. Patrick Jr., attorney at law, P.O. Box 1207, Greenwood, S.C. 29646. Authority sought for purchase by transferee of the operating rights of transferor, as set forth in Certificate of Registration No. MC 60709 Sub-7, issued April 24, 1964 authorizing transportation within the State of South Carolina as follows: Specified commodities between specified points in South Carolina. Transferee presently holds no authority from this Commission. Application has not been filed for temporary authority under Section 210a(b).

No. MC-FC-77152, filed May 26, 1977. Transferee: MARINO FREIGHT LINES, INC., 1531 N. Blinn St., Wilmington, Calif. 90744. Transferor: Active Transport, Inc., 9850 Adella Ave., South Gate, Calif. 90280. Applicant's representative: Fred H. Mackensen, attorney at law, Suite 400, Glendale Federal Building, 9454 Wilshire Boulevard, Beverly Hills, Calif. 90212. Authority sought for purchase by transferee of the operating rights of transferor set forth in Certificate of Registration No. MC 121765, issued April 9, 1976, as follows: General commodities, with specified exceptions, between specified areas in California. Transferee presently holds no authority from this Commission. Application has not been filed for temporary authority under Section 210a(b).

No. MC-FC-77153, filed May 27, 1977. Transferee: AMERICAN PACIFIC EXPRESS, INC., 1774 Sabre St., Hayward, Calif. 94545. Transferor: Albert Pugh, doing business as Aljan Trucking Service, 1092 West McKinley, Sunnyvale, Calif. 94086. Applicant's representative: Eldon M. Johnson, attorney at law, 650 California St., Suite 2808, San Francisco, Calif. 94108. Authority for purchase by transferee of the operating rights of transferor set forth in Certificate No. MC 127267 (Sub-No. 1), issued June 10, 1970, to transferor, as follows: New furniture, uncrated, and new office and store fixtures, uncrated, from Berkeley, Oakland, San Leandro, San Francisco, and South San Francisco, Calif., to points in Oregon and Washington. Transferee presently holds no authority from this Commission. Application has

not been filed for temporary authority under Section 210a(b).

No. MC-FC-77154, filed May 27, 1977. Transferee: S. M. BULK CARRIER, INC., 13 Morris St., Freehold, N.J. 07728. Transferor: Dana Transport, Inc., 13 Morris St., Freehold, N.J. 07728. Applicant's representative: Robert B. Pepper, registered practitioner, 168 Woodbridge Ave., Highland Park, N.J. 08904. Authority sought for purchase by transferee of the operating rights of transferor, set forth in Certificate No. MC 43888, issued July 18, 1960, and acquired by transferor pursuant to No. MC-FC-76431, approved March 23, 1976 and consummated February 7, 1977, as follows: General commodities, except household goods as defined by the Commission, between New York, N.Y., on the one hand, and, on the other, points in New Jersey within 25 miles of Newark, N.J. Transferee presently holds no authority from this Commission. Application has not been filed for temporary authority under Section 210a(b).

ROBERT L. OSWALD,
Secretary.

[FR Doc.77-16364 Filed 6-8-77;8:45 am]

JAMES E. MARTIN

Statement of Changes in Financial Interests

Pursuant to subsection 302(c), Part III, Executive Order 10647 (20 FR 8769) "Providing for the appointment of certain persons under the Defense Production Act of 1950, as amended," I hereby furnish for filing with the Office of the Federal Register for publication in the FEDERAL REGISTER, the following information showing any changes in my financial interests and business connections as heretofore reported and published (41 FR 44904, dated October 13, 1976), for the six months' period ending April 4, 1977.

Gulf Oil Co.
Occidental Petroleum Co.

JAMES E. MARTIN.

MAY 31, 1977.

[FR Doc.77-16355 Filed 6-8-77;8:45 am]

[Volume No. 20]

PETITIONS, APPLICATIONS, FINANCE MATTERS (INCLUDING TEMPORARY AUTHORITIES), RAILROAD ABANDONMENTS, ALTERNATE ROUTE DEVIATIONS, AND INTRASTATE APPLICATIONS

JUNE 3, 1977.

PETITIONS FOR MODIFICATION, INTERPRETATION OR REINSTATEMENT OF OPERATING RIGHTS AUTHORITY

The following petitions seek modification or interpretation of existing operating rights authority, or reinstatement of terminated operating rights authority.

An original and one copy of protests to the granting of the requested authority must be filed with the Commission within 30 days after the date of this FEDERAL REGISTER notice. Such protest

shall comply with Special Rule 247(d) of the Commission's "General Rules of Practice" (49 CFR 1100.247) and shall include a concise statement of protestant's interest in the proceeding and copies of its conflicting authorities. Verified statements in opposition should not be tendered at this time. A copy of the protest shall be served concurrently upon petitioner's representative, or petitioner if no representative is named.

No. MC 21866 (Sub-No. 81) (Notice of filing of petition to add an additional base point), filed May 5, 1977. Petitioner: WEST MOTOR FREIGHT, INC., 740 South Reading Avenue, Boyertown, Pa. 19512. Petitioner's representative: Alan Kahn (Same address as applicant). Petitioner holds a motor common carrier Certificate in No. MC 21866 (Sub-No. 81) issued November 18, 1976, authorizing transportation over irregular routes, of *Automotive accessories, parts, and supplies, and materials supplies and equipment* used in the installation or manufacture of automotive accessories, parts and supplies (except commodities in bulk), between Piscataway, N.J., and Boyertown, Hazleton, and Weatherly, Pa., on the one hand, and, on the other, points in the United States (except Alaska and Hawaii). By the instant petition, petitioner seeks to add "Upper Macungie Township, Lehigh County, Pa., as an additional base point.

No. MC 22182 (Sub-No. 29) (Notice of filing for modification of territorial description), filed May 4, 1977. Petitioner: NU-CAR CARRIERS, INC., 950 Haverford Road, P.O. Box 172, Bryn Mawr, Pa. 19010. Petitioner's representative: Gerald K. Gimmel, 4 Professional Drive, Suite 145, Gaithersburg, Md. 20760. Petitioner holds a motor common carrier Certificate in No. MC 22182 (Sub-No. 29), issued October 5, 1976, authorizing transportation over irregular routes, of (1) *New automobiles*, in truckaway service, in initial movements, and (2) *new automobiles*, in truckaway service in secondary movements when moving in the same vehicle at the same time as the commodities described in part (1) above, from the facilities of Volvo of American Corporation located at Chesapeake, Va., to points in the United States (except Alaska and Hawaii). By the instant petition, petitioner seeks the origin point to read ("from Chesapeake, Va.", in lieu of "from the facilities of Volvo of American Corporation located at Chesapeake, Va.").

No. MC 51146 (Sub-No. 395) (Notice of filing of petition to modify commodity description), filed May 5, 1977. Petitioner: SCHNEIDER TRANSPORT, INC., P.O. Box 2298, Green Bay, Wis. 54306. Petitioner's representative: John R. Patterson (Same address as applicant). Petitioner holds a motor common

¹ Copies of Special Rule 247 (as amended) can be obtained by writing to the Secretary, Interstate Commerce Commission, Washington, D.C. 20423.

carrier Certificate in No. MC 51146 Sub-No. 395) issued October 21, 1976, authorizing transportation over irregular routes, of *Vinyl asbestos tile, vinyl base, asphalt tile, and adhesives* (except commodities in bulk), from Houston, Tex., to points in Wisconsin. By the instant petition, petitioner seeks to broaden commodity description by reading: "Tile, floor covering, wallpaper, and materials, equipment, and supplies, used in the manufacture, distribution, installation, maintenance, removal, and sale of the above commodities (except in bulk)," in lieu of "Vinyl asbestos tile, vinyl base, asphalt tile, and adhesives (except commodities in bulk)."

No. MC 109397 (Sub-No. 319) (Notice of filing of petition to add an additional origin point), filed May 2, 1977. Petitioner: TRI-STATE MOTOR TRANSIT CO., a Corporation, P.O. Box 113, E. On Interstate Business Rt. 44, Joplin, Mo. 64801. Petitioner's representative: Max G. Morgan, 223 Ciudad Bldg., Oklahoma City, Okla. 73112. Petitioner holds a motor common carrier Certificate in No. MC 109397 (Sub-No. 319), issued December 16, 1975, authorizing transportation over irregular routes, of *canned animal food*, from Vernon, Calif., to points in Arkansas, Tennessee, Oklahoma, Virginia, Ohio, Kentucky, New York, New Jersey, Pennsylvania, and Maryland. By the instant petition, petitioner seeks to add Santa Fe Springs, Calif. as an additional origin point to the above authority.

No. MC 114552 (Sub-No. 62) (Notice of filing of petition to remove restriction), filed May 5, 1977. Petitioner: SENN TRUCKING COMPANY, a Corporation, P.O. Drawer 220, Newberry, S.C. 29108. Petitioner's representative: William P. Jackson, Jr., 3426 North Washington Blvd., P.O. Box 1267, Arlington, Va. 22210. Petitioner holds a motor common carrier Certificate in No. MC 114552 (Sub-No. 62), issued May 4, 1977, authorizing transportation over irregular routes, or *plywood, paneling, wall-board and composition board*, from the facilities of Plywood Panels, Inc. located at or near New Orleans, La., to points in Alabama, Georgia, Florida, Tennessee, Kentucky, Mississippi, and South Carolina, restricted to the transportation of traffic either (a) having a prior movement by water, or (b) originating at the above-described origin point. By the instant petition, petitioner seeks (1) to delete the origin plantsite restriction, so as to authorize transportation from New Orleans, La.; and (2) to delete the restriction following the territorial description from the above authority.

REPUBLICATIONS OF GRANTS OF OPERATING RIGHTS AUTHORITY PRIOR TO CERTIFICATION

The following grants of operating rights authorities are republished by order of the Commission to indicate a broadened grant of authority over that previously noticed in the FEDERAL REGISTER.

An original and one copy of a petition for leave to intervene in the proceeding must be filed with the Commission within 30 days after the date of this *FEDERAL REGISTER* notice. Such pleading shall comply with Special Rule 247(d) of the Commission's "General Rules of Practice" (49 CFR 1100.247) addressing specifically the issue(s) indicated as the purpose for republication, and including copies of intervenor's conflicting authorities and a concise statement of intervenor's interest in the proceeding setting forth in detail the precise manner in which it has been prejudiced by lack of notice of the authority granted. A copy of the pleading shall be served concurrently upon the carrier's representative, or carrier if no representative is named.

No. MC 114569 (Sub-No. 145) (Republication), filed August 4, 1976, published in the *FEDERAL REGISTER* issue of September 30, 1976, and republished this issue. Applicant: **SHAFFER TRUCKING, INC.**, P.O. Box 418, New Kingstown, Pa. 17072. Applicant's representative: Duane W. Ackle, P.O. Box 81228, Lincoln, Nebr. 68501. The Initial Decision of the Administrative Law Judge, dated March 16, 1977, and served March 28, 1977, became the order of the Commission by a notice dated April 27, 1977, and served May 10, 1977. Said Initial Decision finds that the present and future public convenience and necessity require operation by applicant, in interstate or foreign commerce, as a *common carrier* by motor vehicle, over irregular routes, in the transportation of *meat, meat products and meat by-products* produced by meat packinghouses, in vehicles equipped with mechanical refrigeration (except hides, animal feed and animal feed ingredients, and commodities in bulk), from the plantsite of Farmland Foods, Inc., at or near Garden City, Kans., to points in the states of Connecticut, Delaware, Kentucky, Maine, Maryland, Massachusetts, New York, New Jersey, New Hampshire, Pennsylvania, Rhode Island, Tennessee (except Memphis and its commercial zone), Vermont, Virginia, West Virginia, and the District of Columbia, restricted to traffic originating at the named origin and destined to points in the named destination States and District; that applicant is fit, willing and able properly to perform such service and to conform to the requirements of the Interstate Commerce Act and the Commission's rules and regulations thereunder. The purpose of this republication is to indicate the addition of New Jersey and the District of Columbia to the destination territory in applicant's grant of authority.

No. MC 124774 (Sub-No. 96) (Republication), filed July 28, 1976, published in the *FEDERAL REGISTER* issue of September 2, 1976, and republished this issue. Applicant: **MIDWEST REFRIGERATED EXPRESS, INC.**, 4440 Buckingham Drive, P.O. Box 7344, Omaha, Nebr. 68107. Applicant's representative: Arlyn L. Westergren, 7100 West Center Road, 330 Univac Building, Omaha, Nebr. 68106. The Initial Decision of the Ad-

ministrative Law Judge, dated March 16, 1977, and served March 28, 1977, became the order of the Commission by notice dated April 27, 1977, and served May 10, 1977. Said Initial Decision finds that the present and future public convenience and necessity require operation by applicant, in interstate or foreign commerce, as a *common carrier* by motor vehicle, over irregular routes, in the transportation of *meats, meat products, meat by-products and articles distributed by meat packinghouses* (except hides and commodities in bulk), from the plantsite of Farmland Foods, Inc., at or near Garden City, Kans., to points in Connecticut, Delaware, Kentucky, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Tennessee, Vermont, Virginia, West Virginia, and the District of Columbia, restricted to traffic originating at the named origin and destined to points in the named destination States and District; that applicant is fit, willing, and able properly to perform such service and to conform to the requirements of the Interstate Commerce Act and the Commission's rules and regulations thereunder. The purpose of this republication is to indicate the addition of New Jersey and the District of Columbia to the destination territory in applicant's grant of authority.

No. MC 134922 (Sub-No. 188) (Republication), filed July 28, 1976, published in the *FEDERAL REGISTER* issue of September 2, 1976, and republished this issue. Applicant: **B. J. McADAMS, INC.**, Route 6, Box 15, North Little Rock, Ark. 72118. Applicant's representative: Bob McAdams (same address as applicant). The Initial Decision of the Administrative Law Judge, dated March 16, 1977, and served March 28, 1977, became the order of the Commission by notice dated April 27, 1977, and served May 10, 1977. Said Initial Decision finds that the present and future public convenience and necessity require operation by applicant, in interstate or foreign commerce, as a *common carrier* by motor vehicle, over irregular routes, in the transportation of *meat, meat products and products produced by meat packinghouses*, from the plantsite of Farmland Foods, Inc., at or near Garden City, Kans., to points in Connecticut, Delaware, Kentucky, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Tennessee, Vermont, Virginia, West Virginia, and the District of Columbia, restricted to traffic originating at the named origin and destined to points in the named destination States and District; that applicant is fit, willing, and able properly to perform such service and to conform to the requirements of the Interstate Commerce Act and the Commission's rules and regulations thereunder. The purpose of this republication is to indicate the addition of New Jersey and the District of Columbia to the destination territory in applicant's grant of authority.

W 1296 (Republication) filed July 24, 1975, published in the *FEDERAL REGISTER* issue of August 28, 1975, and republished this issue. Applicant: **ALLIED CONTAINER SERVICE, INC.**, P.O. Box 717, Norfolk, Va. 23501. Applicant's representative: Gordon P. MacDougall, 1100 17th Street, NW., Washington, D.C. 20036. An Order of the Commission, Review Board Number 1, dated August 13, 1976, and served August 23, 1976, finds that the present and future public convenience and necessity require operation by applicant, in interstate or foreign commerce, as a *common carrier* by water, in the transportation of *general towage* of non-self-propelled lighter-aboard ship (LASH) barges, between ports and points along the Atlantic Coast, Atlantic Intracoastal Waterway, and inland tributary waterways, from Trenton, N.J., to Cape Canaveral, Fla., inclusive; that applicant is fit, willing, and able properly to perform such service and to conform to the requirements of the Interstate Commerce Act and the Commission's rules and regulations thereunder. The purpose of this republication is to indicate the grant of common carrier authority in lieu of contract carrier authority in applicant's grant of authority.

MOTOR CARRIER, BROKER, WATER CARRIER AND FREIGHT FORWARDER OPERATING RIGHTS APPLICATIONS.

The following applications are governed by Special Rule 247 of the Commission's General Rules of Practice (49 CFR §1100.247). These rules provide, among other things, that a protest to the granting of an application must be filed with the Commission within 30 days after the date of notice of filing the application is published in the *FEDERAL REGISTER*. Failure to seasonably to file a protest will be construed as a waiver of opposition and participation in the proceeding. A protest under these rules should comply with Section 247(d)(3) of the rules of practice which requires that it set forth specifically the grounds upon which it is made, contain a detailed statement of protestant's interest in the proceeding (including a copy of the specific portions of its authority which protestant believes to be in conflict with that sought in the application, and describing in detail the method—whether by joinder, interline, or other means—by which protestant would use such authority to provide all or part of the service proposed), and shall specify with particularity the facts, matters, and things relied upon, but shall not include issues or allegations phrased generally. Protests not in reasonable compliance with the requirements of the rules may be rejected. The original and one copy of the protest shall be filed with the Commission, and a copy shall be served concurrently upon applicant's representative, or applicant if not representative is named. If the protest includes a request for oral hearing, such requests shall meet the requirements of section 247(d)(4) of the special rules, and shall include the certification required therein.

Section 247(f) further provides, in part, that an applicant who does not intend timely to prosecute its application shall promptly request dismissal thereof, and that failure to prosecute an application under procedures ordered by the Commission will result in dismissal of the application.

Further processing steps will be by Commission order which will be served on each party of record. Broadening amendments will not be accepted after the date of this publication except for good cause shown, and restrictive amendments will not be entertained following publication in the FEDERAL REGISTER of a notice that the proceeding has been assigned for oral hearing.

Each applicant states that there will be no significant effect on the quality of the human environment resulting from approval of its application.

No. MC 531 (Sub No. 346), filed May 3, 1977. Applicant: YOUNGER BROTHERS, INC., 4904 Griggs Road, P.O. Box 14048, Houston, TX 77021. Applicant's representative: Wray E. Hughes (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Sodium Salt Solutions*, in bulk, in tank vehicles, from the plant site of Merichem Company and/or storage facilities of Merichem Company in Houston, Texas, to points in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi and Oklahoma.

NOTE.—If a hearing is deemed necessary the applicant requests a consolidated hearing with other similar applications at Houston, Tex.

No. MC 830 (Sub-No. 3), filed April 20, 1977. Applicant: MUELLER CARTAGE COMPANY, a corporation, 2510 Adie Road, Maryland Heights, Mo. 63043. Applicant's representative: Michael C. Kerls (same address as applicant). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Fired claybrick, concrete and haydite masonry units*, between Maryland Heights, Mo., on the one hand, and, on the other, points in Wabash, Lawrence, Crawford, Clark, Edgar, Coles, Douglas, Macon Platt, Champagne, Vermillion, DeWitty, McLean, Ford, Iroquois, Livingston, Kankakee, Woodford, Tazewell, Peoria, Marshal, Putnam, Stark, Knox, Warren, Henderson, Mercer, Rock Island, Henry, Bureau, La Salle, Grundy, Will, Kendall, Dekalb, Lee, Whiteside, Carroll, Ogle, Kane, McHenry, Boone, Winnebago, Stephenson, Jo-Davies, Lake, Dupage and Cook Counties, Ill. under a continuing contract or contracts with Alton Brick Co., a subsidiary of Schottco Corporation.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at either St. Louis, or Kansas City, Mo., or Chicago, Ill.

No. MC 1288 (Sub-No. 15), filed May 6, 1977. Applicant: LORAIN TRANSFER COMPANY, INC., P.O. Box 173, Shreveport, La. 71161. Applicant's representative: Billy R. Reid, P.O. Box 9093, Fort Worth, Tex. 76107. Authority sought

to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Scrap and waste paper*, in bales, for recycling, from points in Arkansas south and west of U.S. Highway 63, and points in Texas on and east of U.S. Highway 83, to the plantsites and storage facilities of Bird & Son, Inc., located at or near Shreveport, Louisiana.

NOTE.—If hearing is deemed necessary, applicant requests that it be held at either Shreveport, La. or Dallas, Tex.

No. MC 2484 (Sub-No. 53) (Correction), filed February 14, 1977, published in the FEDERAL REGISTER issue of April 7, 1977, and republished this issue. Applicant: E & L TRANSPORT COMPANY, a corporation, 14201 Prospect Avenue, P.O. Box 4299, Dearborn, Mich. 48121. Applicant's representative: Eugene C. Ewald, 100 West Long Lake Road, Suite 102 Bloomfield Hills, Mich. 48013. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Motor vehicles*, in secondary movements, in truckaway service, from Buffalo, N.Y., to points in Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia and the District of Columbia, restricted to traffic having had a prior movement from manufacturing facilities of the Ford Motor Company.

NOTE.—The purpose of this republication is to correct applicant's restriction. Common control may be involved. If a hearing is deemed necessary, the applicant requests it be held at either Washington, D.C., or Detroit, Mich.

No. MC 2860 (Sub-No. 156), filed May 1, 1977. Applicant: NATIONAL FREIGHT, INC., 71 West Park Avenue, Vineland, New Jersey 08360. Applicant's representative: Robert W. Gerson, 1400 Candler Building, Atlanta, Georgia 30303. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Synthetic fiber, yarn and staple from the plantsite and facilities of Du Pont Company located at or near Seaford, Delaware, to points in Georgia and Tennessee.*

NOTE.—If a hearing is deemed necessary, applicant requests that it be held at Atlanta, Georgia, Washington, D.C.; or Baltimore, Maryland. Common control may be involved.

No. MC 2900 (Sub-No. 301), filed April 25, 1977. Applicant: RYDER TRUCK LINES, INC., 2050 Kings Road, P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except household goods as defined by the Commission, Classes A and B explosives, commodities in bulk and those requiring special equipment): Serving Newport, Tenn. as an off route point in connection with applicant's presently authorized regular routes.

NOTE.—Common control may be involved. If a hearing is deemed necessary, applicant

requests it be held at Knoxville, Tenn. or Washington, D.C.

No. MC 2900 (Sub-No. 303), filed May 10, 1977. Applicant: RYDER TRUCK LINES, INC., 2050 Kings Road, P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except household goods as defined by the Commission, Classes A and B explosives, commodities in bulk and those requiring special equipment): Serving the plant site and warehouse facilities of Rheem Manufacturing Company, located at or near Milledgeville, Ga. as an off-route point in connection with applicant's authorized regular route operation.

NOTE.—Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Atlanta, Ga. or Washington, D.C.

No. MC 4709 (Sub No. 2), filed May 6, 1977. Applicant: M. & S. Transfer, Incorporated, David City, Nebr. 68632. Applicant's representative: Bradford E. Kistler, P.O. Box 82028, Lincoln, Nebraska 68501. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, Classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment), between Lincoln, Nebraska and Wahoo, Nebraska, serving no intermediate points: From Lincoln over U.S. Highway 77 to Wahoo, and return over the same route.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Lincoln, Nebraska.

No. MC 5623 (Sub-No. 32), filed May 6, 1977. Applicant: ARROW TRUCKING CO., a corporation, P.O. Box 7280, Tulsa, OK 74105. Applicant's representative: J. G. Dail, Jr., P.O. Box 567, McLean, VA 22101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *cooling towers and accessories, materials and supplies used for cooling towers* (except commodities in bulk); and (2) *materials and supplies, used in, or in connection with, the manufacture, fabricating or distribution of the commodities in (1) above* (except commodities in bulk), between Tulsa, OK, on the one hand, and, on the other, points in the United States (except Alaska and Hawaii), restricted to shipments originating at or destined to the facilities of E. D. Goodfellow, Inc., located at or near Tulsa, OK.

NOTE.—If a hearing is deemed necessary, applicant requests that it be held at Tulsa, OK.

No. MC 8964 (Sub-No. 35), filed March 30, 1977. Applicant: WITTE TRANSPORTATION COMPANY, a Corporation, P.O. Box 3564, St. Paul, Minn. 55165. Applicant's representative: William S. Rosen, 630 Osborn Building, St. Paul, Minn. 55102. Authority sought to

operate as a common carrier, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, Classes A and B explosives, liquid commodities in bulk, household goods as defined by the Commission, and commodities requiring special equipment). (1) Between Spring Valley, Minn. and Iowa City, Iowa: From Spring Valley over U.S. Highway 63 to its junction with U.S. Highway 218 located at Waterloo, Iowa; thence over U.S. Highway 218 to Iowa City, and return over the same route, serving all intermediate points. (2) Between Spring Valley, Minn. and the junction of U.S. Highways 30 and 65 located at or near Colo, Iowa: From Spring Valley over U.S. Highway 16 to its junction with Interstate Highway 90; thence over Interstate Highway 90 to its junction with Interstate Highway 35; thence over Interstate Highway 35 to Ames, Iowa; thence over U.S. Highway 30 to its junction with U.S. Highway 65 located at or near Colo, Iowa, and return over the same route, serving all intermediate points. (3) Between Spring Valley, Minn. and the junction of U.S. Highways 63 and 30 at or near Toledo, Iowa: From Spring Valley over U.S. Highway 16 to its junction with Interstate Highway 90; thence over Interstate Highway 90 to its junction with Interstate Highway 35; thence over Interstate Highway 35 to its junction with U.S. Highway 65; thence over U.S. Highway 65 to its junction with U.S. Highway 30; thence over U.S. Highway 30 to its junction with U.S. Highway 63 located at or near Toledo, Iowa, and return over the same route, serving all intermediate points.

(4) Between Spring Valley, Minn. and Iowa City, Iowa: From Spring Valley over U.S. Highway 63 to its junction with Interstate Highway 80, thence over Interstate Highway 80 to Iowa City, and return over the same route, serving all intermediate points. (5) Between Spring Valley, Minn. and Prairie du Chien, Wis.: From Spring Valley over U.S. Highway 16 to its junction with U.S. Highway 52; thence over U.S. Highway 52 to its junction with U.S. Highway 18; thence over U.S. Highway 18 to Prairie du Chien, and return over the same route, serving all intermediate points. (6) Between Spring Valley, Minn. and Prairie du Chien, Wis.: From Spring Valley over U.S. Highway 16 to its junction with U.S. Highway 52; thence over U.S. Highway 52 to its junction with Minnesota Highway 44; thence over Minnesota Highway 44 to Minnesota Highway 76; thence over Minnesota Highway 76 to the Minnesota-Iowa Boundary line, thence over Iowa Highway 76 to its junction with U.S. Highway 18; thence over U.S. Highway 18 to Prairie du Chien, and return over the same route, serving all intermediate points; and (7) Between Spring Valley, Minn. and the junction of U.S. Highway 30 and Interstate Highway 35 at or near Ames, Iowa: From Spring Valley over U.S. Highway 16 to its junction with Interstate Highway 90; thence over Interstate Highway 90 to its junction with

U.S. Highway 69; thence over U.S. Highway 69 to its junction with U.S. Highway 30; thence over U.S. Highway 30 to its junction with Interstate Highway 35 located at or near Ames, Iowa, and return over the same route, serving all intermediate points, serving as off-route points in connection with the above-described regular routes, Boone, Huxley, and Slater, Iowa, and all points in that part of Iowa east of U.S. Highway 69 and on and north of Interstate Highway 80 (except points in Polk, Clinton, Scott, Dubuque, Jones, and Jackson Counties, Iowa). Applicant holds irregular route authority under its Sub-No. 30 certificate to serve points in Iowa on and east of State Highway 4 (except points in Greene, Guthrie, Dallas, Polk, Clinton, and Scott Counties). This application for conversion to regular route authority does not include all points in applicant's presently authorized territory. However, applicant will retain irregular route authority to the points that are not included in this application.

NOTE.—Common control may be involved. If a hearing is deemed necessary, the applicant requests it be held at St. Paul, Minn.

No. MC 10761 (Sub-No. 283), filed May 2, 1977. Applicant: TRANSAMERICAN FREIGHT LINES, INC., 5650 Foremost Drive, SE., Grand Rapids, Michigan 49506. Applicant's Representatives: L. R. Knapp (same address as applicant). Authority sought to operate as a common carrier, by motor vehicle, over regular routes, transporting: *general commodities* (except loose bulk commodities, livestock, explosives, except small arms ammunition, currency, bullion, commodities exceeding ordinary equipment and loading facilities: Between Chenoa, Illinois, and Peoria, Illinois, serving no intermediate points. From Chenoa over U.S. Highway 24 to Peoria, and return over the same route.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at Chicago, Ill. or Washington, D.C.

No. MC 11207 (Sub-No. 390), filed April 28, 1977. Applicant: DEATON, INC., 317 Avenue W., P.O. Box 938, Birmingham, Alabama 35201. Applicant's representative: Kim D. Mann, Suite 1010, 7101 Wisconsin Avenue, Washington, D.C. 20014. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: (1) *paper bags*, from the plant site of Masonite Corporation, Southern Bag Division, located at Yazoo City, Miss., to points in Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, North Carolina, South Carolina, Tennessee, and Texas; and (2) *materials and supplies* used in the manufacture of paper bags from points in Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, North Carolina, South Carolina, Tennessee, and Texas to the plant site specified in (1) above.

NOTE.—If a hearing is deemed necessary, applicant requests that it be held at Jackson or Meridian, Miss.

No. MC 11207 (Sub-No. 391), filed April 28, 1977. Applicant: DEATON, INC., 317 Avenue W., P.O. Box 938, Birmingham, Alabama 35201. Applicant's representative: Kim D. Mann, Suite 1010, 7101 Wisconsin Avenue, Washington, D.C. 20014. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Paper and paper products*, from the facilities of Gilman Paper Company, located at St. Marys, Ga., to points in Alabama, Florida and Tennessee.

NOTE.—If a hearing is deemed necessary, applicant requests that it be held at Jacksonville or Tampa, Fla.

No. MC 11207 (Sub-No. 392), filed May 6, 1977. Applicant: DEATON, INC., 317 Avenue W., P.O. Box 938, Birmingham, Alabama 35201. Applicant's representative: Kim D. Mann, Suite 1010, 7101 Wisconsin Avenue, Washington, D.C. 20014. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *plastic pipe, plastic pipe fittings, and materials and supplies* used in the installation thereof, from High Springs, Florida to points in Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, and Texas.

NOTE.—If a hearing is deemed necessary, applicant requests that it be held at Jacksonville, Florida or Tampa, Florida.

No. MC 19227 (Sub-No. 235), filed April 25, 1977. Applicant: LEONARD BROS. TRUCKING CO., INC., 2515 N.W. 20th Street, P.O. Box 520602, Miami, Florida 33152. Applicant's Representative: Thomas A. Leonard (Same address as applicant). Authority sought to operate as a Common carrier, by motor vehicle, over irregular routes, transporting: *Cooling towers and fluid coolers* which, because of size or weight, require the use of special equipment; and *cooling towers, fluid coolers, and parts and accessories* for cooling towers and fluid coolers which do not require the use of special equipment, moving in connection with cooling towers, and fluid coolers which, because of size or weight, require the use of special equipment, between the plantsite of the Marley Company, Olathe, Kansas, on the one hand, and, on the other, points in Alabama, Arkansas, Arizona, California, Colorado, Florida, Georgia, Kentucky, Kansas, Louisiana, Mississippi, Missouri, New Mexico, Nebraska, Nevada, Oklahoma, South Carolina, Tennessee, Texas, and Utah.

NOTE.—Common control may be involved. If a hearing is deemed necessary, the applicant requests it be held at either Kansas City, Mo. or Washington, D.C.

No. MC 25869 (Sub-No. 133), filed May 5, 1977. Applicant: NOLTE BROS. TRUCK LINE, INC., 6217 Gilmore Avenue, Omaha, Nebraska 68107. Applicant's Representative: Mr. Donald L. Stern, Suite 530, Univac Bldg., Omaha, Nebraska 68106. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting:

Meats, meat products, meat by-products and articles distributed by meat packing-houses, as described in Sections A and C of Appendix I to the report in Descriptions in Motor Carrier Certificates, 61 M.C.C. 209 and 766 (except commodities in bulk, in tank vehicles, and hides) (1) from Denver, Colorado, to points in Maryland, Connecticut, Massachusetts, New Jersey, New York, Pennsylvania, and Rhode Island and (2) from Sterling, Colorado, to points in Maryland, Massachusetts, New Jersey, New York, Pennsylvania, and Ohio.

NOTE—Common control may be involved. If a hearing is deemed necessary, the applicant requests it be held at Denver, Colo.

No. MC 31389 (Sub-No. 227), filed May 3, 1977. Applicant: MCLEAN TRUCKING COMPANY, a Corporation, P.O. Box 213, Winston-Salem, North Carolina 27102. Applicant's representative: David F. Eshelman, P.O. Box 213, Winston-Salem, North Carolina 27102. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, Classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment); serving the plantsite and distribution facilities of the Lorbrook Corporation, located at or near Hudson, New York, as an off route point in connection with carrier's regular route operations.

NOTE—Common control may be involved. If a hearing is deemed necessary, applicant requests that it be held at Washington, D.C. or Albany, New York.

No. MC 32779 (Sub-No. 13), filed April 25, 1977. Applicant: SILVER EAGLE COMPANY, a corporation, 2532 SE Hawthorne Blvd., Portland, Ore. 97214. Applicant's Representative: Robert R. Hollis, 400 Pacific Bldg., 520 SW Yamhill St., Portland, Ore. 97204. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and commodities requiring the use of special equipment): (1) Between Spokane, Wash. and Seattle, Wash. serving all intermediate and off-route points in Lincoln, Adams, Grant and Kittitas Counties, Wash.; from Spokane over Interstate Highway 90 to Seattle and return over the same route.

(2) Between Spokane, Wash. and Portland, Ore. serving all intermediate and off-route points in Lincoln, Adams, Franklin, Walla Walla, Columbia, Benton, and Klickitat Counties, Wash.; from Spokane over Interstate Highway 90 to junction U.S. Highway 395, thence over U.S. Highway 395 to junction U.S. Highway 730, thence over U.S. Highway 730 to junction Interstate Highway 80N, thence over Interstate Highway 80N to Portland and return over the same route; (3) between Pasco, Wash. and Wenatchee, Wash. serving all intermediate and off-route points in Benton,

Yakima, and Kittitas Counties, Wash.; from Pasco over U.S. Highway 12 to U.S. Highway 97, thence over U.S. Highway 97 to Wenatchee and return over the same route.

NOTE—If a hearing is deemed necessary, applicant requests it be held at either Portland, Ore., Spokane or Yakima, Wash.

No. MC 35519 (Sub-No. 3), filed April 28, 1977. Applicant: J. W. ATHEY, Sr. & J. W. ATHEY, Jr., a partnership, doing business as Athey Trucking, Route 1, Box 364, Stephens City, Va. 22655. Applicant's representative: Frank B. Hand, Jr., P.O. Box 187, Berryville, Va. 22611. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Dairy products*, from Strasburg, Va. to points in Delaware, District of Columbia, Florida, Georgia, Maryland, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Virginia, and West Virginia.

NOTE—If a hearing is deemed necessary, the applicant requests it be held at Richmond, Va.

No. MC 57778 (Sub-No. 17), filed May 9, 1977. Applicant: MICHIGAN REFRIGERATED TRUCKING SERVICE, INC., 6134 West Jefferson Avenue, Detroit, Mich. 48209. Applicant's representative: William B. Elmer, 21635 East Nine Mile Road, St. Clair Shores, Mich. 48080. Authority sought to engage in operation, in interstate or foreign commerce, as a *common carrier*, by motor vehicle, over irregular routes, in the transportation of *frozen foods and anhydrous foods*, from the plantsite and storage facilities of Ore-Ida Foods, Inc. at or near Greenville, Mich., to points in Indiana on and north of U.S. Highway 40, and points in Illinois located on and north of a line beginning at the Indiana-Illinois state line and extending along U.S. Highway 36 to Springfield, thence along Illinois Highway 125 to junction U.S. Highway 67, thence along U.S. Highway 67 to junction Illinois Highway 103, thence along Illinois Highway 103 to junction U.S. Highway 24, thence along U.S. Highway 24 to the Illinois-Missouri state line.

NOTE—If a hearing is deemed necessary, the applicant requests it be held at either Detroit or Lansing, Mich., or Chicago, Ill.

No. MC 59117 (Sub-No. 54), filed May 9, 1977. Applicant: ELLIOTT TRUCK LINE, INC., P.O. Box 1, Vinita, Okla. 74301. Applicant's representative: Wilburn L. Williamson, 280 National Foundation Life Building, 3535 NW 58th Street, Oklahoma City, Okla. 73112. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquefied Petroleum Gases*, from McPherson County, Kansas, to points in Benton County, Arkansas; McDonald, Taney, and Douglas Counties, Mo.; and Craig, Delaware, and Mayes Counties, Okla.

NOTE—If a hearing is deemed necessary, applicant requests it be held at Kansas City, Mo.

No. MC 65491 (Sub-No. 7), filed April 14, 1977. Applicant: GEORGE W. BROWN, INC., 1475 East 222nd Street, Bronx, N.Y. 10469. Applicant's representative: William Biederman, 371 Seventh Avenue, New York, N.Y. 10001. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, Classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment). Between Albany, N.Y., and Springfield, Mass., via Interstate Highway 90, for purposes of joinder only.

NOTE—If a hearing is deemed necessary, the applicant requests it be held at either New York City, N.Y., or Washington, D.C.

No. MC 70470 (Sub-No. 8), filed May 3, 1977. Applicant: FILM TRANSPORT CO., 1441 North 11th Street, Omaha, Neb. 68102. Applicant's Representative: Homer E. Bradshaw, 1100 Des Moines Bldg., Des Moines, Iowa 50309. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities*, (except those of unusual value, Class A and B explosives, household goods as defined by the Commission, commodities in bulk, commodities requiring special equipment), between Sioux City, Iowa, and Falls City, Neb., serving all intermediate points and the off-route points of Bancroft, Pender, Emerson, Humboldt, Table Rock, Pawnee City, Tecumseh, Weeping Water, Peru, and Brownville, Neb.; from Sioux City over U.S. Highway 73 to Winnebago, Neb., thence over U.S. Highway 73W to Tekamah, Neb., thence over U.S. Highway 73 to Falls City, and return over the same route; (2) between Omaha, Neb. and Clarinda, Iowa serving all intermediate points and the off-route point of Malverne, Iowa; from Omaha over U.S. Highway 275 to Sidney, Iowa, thence over Iowa Highway 2 (formerly Iowa Highway 3), to Clarinda; and return over U.S. Highway 71 to Tenville Junction, Iowa, thence over U.S. Highway 34 to Junction U.S. Highway 275, and thence over U.S. Highway 275 to Omaha.

NOTE—Applicant holds said authority restricted, to packages not to exceed 200 pounds in weight. The purpose of the application is to remove said weight restriction. Common control may be involved. If a hearing is deemed necessary applicant requests that it be held at Omaha, Neb.

No. MC 72235 (Sub-No. 10), filed April 28, 1977. Applicant: IVORY VAN LINES, INC., 8035 Woodward Avenue, Detroit, Mich. 48202. Applicant's representative: Alan F. Wohlsetter, 1700 K Street NW., Washington, D.C. 20006. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Empty household goods shipping containers, set up or knocked down*: (1) Between points in the lower peninsula of Michigan, on the one hand, and, on the other, points in Louisiana, Maine, New Hampshire, North Dakota, and South Dakota; (2) between points in Alabama, Arkansas, Colorado,

Connecticut, Delaware, Georgia, Illinois, Indiana, Iowa, Kansas, Massachusetts, Maryland, Michigan, Minnesota, Missouri, Nebraska, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, Tennessee, Virginia, West Virginia, Wisconsin, and the District of Columbia; (3) between points in Faulkner, Cleburne, Van Buren, Perry, White, and Conway Counties, Ark., on the one hand, and, on the other, points in Missouri, Kansas, Oklahoma, Texas, Louisiana, Mississippi, and Tennessee; (4) between points in Maine, on the one hand, and, on the other, points in Massachusetts and New Hampshire; (5) between points in Georgia and Florida.

(6) Between points in Colorado on and west of the Continental Divide, on the one hand, and, on the other, points within a territory in Colorado, New Mexico, Arizona, Utah, and Wyoming, including points (including Peru, and Walcott, Wyo.) on the indicated portions of the specified highways, bounded by a line beginning at Cheyenne, Wyo., and extending along U.S. Hwy. 85 to junction unnumbered highway (formerly U.S. Hwy. 85) near Larkspur, Colo., thence along unnumbered highway via Larkspur to junction Colorado Hwy. 105 (formerly U.S. Hwy. 85) at or near Palmer Lake, Colo., thence along Colorado Hwy. 105 to junction U.S. Hwy. 85, thence along U.S. Hwy. 85 to Albuquerque, N. Mex., thence along U.S. Hwy. 66 to junction unnumbered highway (formerly U.S. Hwy. 66) near McConico, Ariz., thence along unnumbered highway via Goldroad and Oatman, Ariz., to junction U.S. Hwy. 66, thence along U.S. Hwy. 66 to the Arizona-California State line, thence along the Arizona-California State line to the Nevada-California State line, thence along the Nevada-California State line to junction U.S. Hwy. 91, thence along U.S. Hwy. 91 to Ogden, Utah, thence along U.S. Hwy. 30S to junction U.S. Hwy. 30, thence along U.S. Hwy. 30 to junction unnumbered highway (formerly U.S. Hwy. 30), thence along unnumbered highway via Hanna, and Elmo, Wyo., to junction U.S. Hwy. 30, and thence along U.S. Hwy. 30 to point of beginning at Cheyenne, Wyo.

(7) Between points in Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming, on the one hand, and, on the other, points in Alabama, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, Tennessee, Texas, Virginia, West Virginia, Wisconsin, and the District of Columbia; (8) between points in Augusta, Ga., on the one hand, and, on the other, points in South Carolina within 150 miles of Augusta, Ga.; (9) between points in that part of South Carolina within 150 miles of Augusta, Ga., on the one hand, and,

on the other, points in the United States (except points in Alaska, Hawaii, South Carolina, and Vermont); (10) between points in Florida, on the one hand, and, on the other, points in Alabama, Arkansas, Connecticut, Delaware, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, Tennessee, Virginia, West Virginia, Wisconsin, and the District of Columbia.

(11) Between points in Maine, on the one hand, and, on the other, points in Alabama, Arkansas, Connecticut, Delaware, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, the Upper Peninsula of Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, Tennessee, Virginia, West Virginia, Wisconsin, and the District of Columbia; (12) between points in New Hampshire, on the one hand, and, on the other, points in Alabama, Arkansas, Connecticut, Delaware, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, the Upper Peninsula of Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, Tennessee, Virginia, West Virginia, Wisconsin, and the District of Columbia; (13) between points in Louisiana, on the one hand, and, on the other, points in Alabama, Arkansas, Connecticut, Delaware, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Massachusetts, the Upper Peninsula of Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, Tennessee, Virginia, West Virginia, Wisconsin, and the District of Columbia.

(14) Between points in Mississippi, on the one hand, and, on the other, points in Alabama, Arkansas, Connecticut, Delaware, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Virginia, West Virginia, Wisconsin, and the District of Columbia; (15) between points in that part of New Mexico on, west, and north of a line beginning at the New Mexico-Colorado State line, thence along Interstate Hwy. 25 to Albuquerque, New Mexico, thence along Interstate Hwy. 40 to the New Mexico-Arizona State line, on the one hand, and, on the other, points in Arizona, California, Idaho, Montana, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming; (16) between points in that part of Arizona on and north of a line beginning at the Arizona-New Mexico State line and extending along Interstate Hwy. 40 to junction unnumbered highway near McConico,

thence along unnumbered highway to junction Interstate Hwy. 40, thence along Interstate Hwy. 40 to the Arizona-California State line, on the one hand, and, on the other, points in California, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming;

(17) Between points in that part of Utah on and east of a line beginning at the Utah-Nevada State line extending along U.S. Hwy. 91 to Ogden, thence along Interstate Hwy. 80N and 80 to the Utah-Wyoming State line, on the one hand, and, on the other, points in Arizona, California, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Washington, and Wyoming; and (18) between points in that part of Wyoming on and south of a line beginning at the Wyoming-Utah State line extending along Interstate Hwy. 80 to junction unnumbered highway, thence along unnumbered highway to junction Interstate Hwy. 80, thence along Interstate Hwy. 80 to Cheyenne, Wyoming, and thence along U.S. Hwy. 85 to the Wyoming-Colorado State line, on the one hand, and, on the other, points in Arizona, California, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, and Washington.

NOTE.—Common control may be involved. If a hearing is deemed necessary, the applicant requests it be held at Detroit, Mich.

No. MC 73688 (Sub-No. 74), filed April 29, 1977. Applicant: SOUTHERN TRUCKING CORPORATION, 1500 Orenda Avenue, Memphis, Tenn. 38107. Applicant's representative: John Paul Jones, P.O. Box 3140, Front Street Station, Memphis, Tenn. 38103. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Roofing and siding materials, composition shingles, rolled roofing, roofing compound, and accessories thereto* from the plant site and facilities of Elk Corporation, located at Stephens, Ark., and East Camden, Ark., to points in Alabama, Louisiana, Mississippi, Tennessee, Texas, and Oklahoma.

NOTE.—If a hearing is deemed necessary the applicant requests it be held at Memphis, Tennessee.

No. MC 73228 (Sub-No. 41), filed May 4, 1977. Applicant: J. MILLER EXPRESS, INC., 962 Greentree Road, Pittsburgh, Pa. 15220. Applicant's representative: Henry M. Wick, Jr., 2310 Grant Building, Pittsburgh, Pa. 15219. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes transporting: *Scrap metals*, in dump vehicles, between points in Connecticut, Maine, Massachusetts, New Hampshire, New Jersey (except points in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, and Salem Counties, N.J.) New York, Pennsylvania, and Vermont.

NOTE.—If a hearing is deemed necessary, applicant requests that it be held at Washington, D.C. or Cincinnati, Ohio.

No. MC 83539 (Sub-No. 457), filed April 4, 1977. Applicant: C. & H. TRANSPORTATION CO., INC., 1936-2010 West Commerce Street, P.O. Box 5976, Dallas, Tex. 75222. Applicant's representative: Thomas E. James (same address as applicant). Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: (1) *Tractors*, with or without attachments (except tractors used for pulling highway trailers), and (2) *parts, attachments and accessories* for the commodities named in (1) above, when moving in mixed loads with the commodities in (1) above, (a) from the plantsite and facilities of Ford Motor Company located at Romeo, Mich., to those points in that part of the United States east of Colorado, Montana, New Mexico, and Wyoming (except points in Michigan); and (b) from the ports of entry, located on the International Boundary line between the United States and Canada, including ports of entry located in Idaho, Montana, and Washington, to points in the provinces of British Columbia, Alberta, Saskatchewan and Manitoba.

NOTE.—Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at either Chicago, Ill., or Washington, D.C.

No. MC-85465 (Sub-No. 61) (amendment), filed March 16, 1977, published in the FEDERAL REGISTER issue of May 5, 1977, and republished as corrected this issue. Applicant: WEST NEBRASKA EXPRESS, INC., P.O. Box 1159, St. Joseph, Mo. 64502. Applicant's representative: Martin J. Rosen, 256 Montgomery Street, San Francisco, Calif. 94104. Authority sought to operate as a common carrier, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, Classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment), between Omaha, Nebr., and Eugene, Oreg.; From Omaha over U.S. Highway 275 to junction U.S. Highway 30, thence over U.S. Highway 30 to junction Nebraska Highway 19, thence over Nebraska Highway 19 to the Nebraska-Colorado State boundary line, thence over Colorado Highway 113 to junction U.S. Highway 138, thence over U.S. Highway 138 to junction U.S. Highway 6, thence over U.S. Highway 6 to junction U.S. Highway 50, thence over U.S. Highways 6 and 50 to junction U.S. Highway 89, thence over U.S. Highway 89 (Interstate 15) to junction Interstate Highway 80, thence over Interstate Highway 80 to junction U.S. Highway 95, thence over U.S. Highway 95 to junction Nevada Highway 140, thence over Nevada Highway 140 to junction U.S. Highway 97, thence over U.S. Highway 97 to junction Oregon Highway 58, thence over Oregon Highway 58 to Eugene and return over the same route, serving no intermediate points.

NOTE.—The purpose of this application is to relocate interchange point from Denver, Colo., to Eugene, Oreg., by acquisition of the above route between Denver, Colo., and Eu-

gene, Oreg. No new service requested. Common control may be involved. If a hearing is deemed necessary, the applicant requests it be held at either San Francisco, Calif., or Washington, D.C.

No. MC 86247 (Sub-No. 9), filed May 1, 1977. Applicant: I. C. L. INTERNATIONAL CARRIERS, LTD., 1333 College Avenue, Windsor, Ontario, Canada N-9C3Y9. Applicant's representative: Joseph P. Allen, 7701 W. Jefferson Street, Detroit, Mich. 48209. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Nepheline syenite*, in bulk, in dump or hopper vehicles to the plant site of Owens Illinois Company, located at Charlotte, Mich., from the port of entry on the international boundary line between the United States and Canada, located at Detroit and Port Huron, Mich., restricted to foreign commerce originating at Blue Mountain and Nephon, Ontario, Canada.

NOTE.—If a hearing is necessary the applicant requests it be held at either Detroit, Mich., or Washington, D.C. Common control may be involved.

No. MC 94350 (Sub-No. 386), filed May 5, 1977. Applicant: TRANSIT HOMES, INC., P.O. Box 1628, Greenville, S.C. 29602. Applicant's representative: Mitchell King, Jr. (same address as applicant). Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Single-wide and double-wide mobile homes*, in initial movements, from points in Union County, N.C., to points on and east of a line beginning at the mouth of the Mississippi River and extending along the Mississippi River to its junction with the western boundary of Itasca County, Minn., and thence northward along the western boundaries of Itasca and Koochiching Counties, Minn., to the international boundary line between the United States and Canada.

NOTE.—Common control may be involved. If hearing is deemed necessary, applicant requests that it be held at Charlotte, N.C.

No. MC 102806 (Sub-No. 22), filed May 2, 1977. Applicant: PETROLEUM TRANSPORTATION, INC., P.O. Box 399, Gastonia, N.C. 28052. Applicant's representative: J. William Cain, Jr., 2001 Massachusetts Avenue NW., Washington, D.C. 20036. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Liquefied petroleum gas*, in bulk, from Albemarle, N.C. to Dalton, Ga.; Nashville, Tenn.; and Cowpens, S.C.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at either Charlotte, N.C., or Columbia, S.C.

No. MC 103051 (Sub-No. 397), filed April 29, 1977. Applicant: FLEET TRANSPORT COMPANY, INC., 934 44th Avenue North, Nashville, TN 37209. Applicant's representative: Russell E. Stone, P.O. Box 90408, Nashville, TN 37209. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Petroleum products*, in bulk, in tank vehicles,

from Nashville and Knoxville, Tenn., to points in Kentucky (except petroleum products from Nashville, Tenn., to Ft. Campbell, Ky.).

NOTE.—If a hearing is deemed necessary, the applicant requests that it be held at Nashville, Tenn.

No. MC 106400 (Sub-No. 109), filed May 3, 1977. Applicant: KAW TRANSPORT CO., a corporation, P.O. Box 12628, North Kansas City, Mo. 64116. Applicant's representative: Robert L. Hawkins, Jr., P.O. Box 456, Jefferson City, Mo. 65101. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Liquid feed*, in bulk in tank vehicles, between Kansas City, Mo., on the one hand, and, on the other, points in Arkansas, Kansas, Missouri, and Oklahoma.

NOTE.—Common control may be involved. If a hearing is deemed necessary, the applicant requests it be held at Kansas City, Mo.

No. MC 106674 (Sub-No. 231), filed May 6, 1977. Applicant: SCHILLI MOTOR LINES, INC., P.O. Box 123, Remington, Ind. 47976. Applicant's representative: Jerry L. Johnson, P.O. Box 123, Remington, Ind. 47977. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: (1) *Plumbing fixtures and parts thereof used in the installation of plumbing fixtures*, from Abingdon and Robinson, Ill., and Knoxville, Tenn., to points in the United States (except Alaska and Hawaii); and (2) *Materials, equipment, and supplies used in the manufacture of plumbing fixtures and parts thereof*, from points in the United States (except Alaska and Hawaii), to Abingdon and Robinson, Ill., and Knoxville, Tenn., restricted in parts (1) and (2), to the transportation of traffic originating at or destined to plantsites and storage facilities of Briggs Divisions of Celotex Corporation at or near Abingdon, Ill., Robinson, Ill., and Knoxville, Tenn.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at either Indianapolis, Ind., or Chicago, Ill.

No. MC 106920 (Sub-No. 68), filed May 3, 1977. Applicant: RIGGS FOOD EXPRESS, INC., P.O. Box 26, West Monroe Street, New Bremen, Ohio 45869. Applicant's representative: E. Stephen Helsley, Suite 805, 666 Eleventh Street NW., Washington, D.C. 20001. Authority is sought by applicant to operate in interstate or foreign commerce as a common carrier, by motor vehicle, over irregular routes, transporting: *Foods, food products, food ingredients, animal foods, animal food ingredients, and meat-by-products* (except in bulk), between the warehouses of Beatrice Foods Co., located at Scranton, Pa., and at or near Allentown, Pa., on the one hand, and, on the other, points in Illinois, Indiana, and Michigan. Restriction: The above authority is restricted to the transportation of traffic originating at the above named origins and destined to the above-named destinations.

NOTE.—If a hearing is deemed necessary, applicant requests that it be held at Chicago, Ill., or Washington, D.C.

No. MC 107002 (Sub-No. 506), filed May 3, 1977. Applicant: MILLER TRANSPORTERS, INC., P.O. Box 1123, Jackson, Miss. 39205. Applicant's representative: John J. Borth, P.O. Box 8573, Battlefield Station, Jackson, Miss. 39204. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Cement and concrete mixtures, dry, from the facilities of United Cement Company, located at or near Memphis, Tenn., to points in Arkansas, Mississippi, and Missouri.*

NOTE.—If a hearing is deemed necessary, applicant requests that it be held at Memphis, Tenn., or Jackson, Miss.

No. MC-108053 (Sub-No. 138), filed May 3, 1977. Applicant: LITTLE AUDREY'S TRANSPORTATION COMPANY, INC., P.O. Box 129, Fremont, Nebraska 68025. Applicant's representative: Arnold L. Burke, 180 N. LaSalle Street, Chicago, Illinois 60601. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Meats, meat products, and meat by-products, and articles distributed by meat packinghouses, as described in Sections A and C of Appendix I to the report in Descriptions in Motor Carrier Certificates, 61 M.C.C. 206 and 766 (except hides and commodities in bulk), from Worthington, Indiana, to points in Arizona, California, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.*

NOTE.—Common control may be involved. If a hearing is deemed necessary, the applicant requests that it be held at Indianapolis, Ind., or Chicago, Ill.

No. MC 108341 (Sub-No. 59), filed May 2, 1977. Applicant: MOSS TRUCKING COMPANY, INC., 3027 N. Tryon St., P.O. Box 8409, Charlotte, N.C. 28208. Applicant's representative: Morton E. Kiel, Suite 6193, 5 World Trade Center, New York, N.Y. 10048. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: (1) *Machinery, equipment, materials, and supplies, used in, or in connection with the discovery, development, production, refining, manufacturing, processing, storage, transmission, and distribution of natural gas and petroleum and their products and by products, and machinery, materials, equipment and supplies used in, or in connection with the construction, operation, repair, servicing, maintenance and dismantling of pipelines, including the stringing and picking up thereof; and (2) earth drilling machinery and equipment, and machinery, equipment, materials, supplies and pipe, incidental to, used in, or in connection with (a) the transportation installation, removal, operations, repair, servicing, maintenance, and dismantling of drilling machinery and equipment, (b) the completion of holes or wells drilled, (c) the production, storage and transmission of commodities resulting from drilling operations at well*

or hole sites, and (d) the injection or removal of commodities into or from holes or wells, between points in Connecticut, Delaware, Florida, Georgia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Rhode Island, South Carolina, and Virginia, on the one hand, and, on the other, points in the United States in and east of North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, and Texas.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at Houston, Texas or Washington, D.C. Common control may be involved.

No. MC 111594 (Sub No. 75), filed May 6, 1977. Applicant: C W TRANSPORT, INC., 610 High Street, Wisconsin Rapids, Wisconsin 54494. Applicant's representative: Leonard R. Kofkin, 39 South LaSalle Street, Chicago, Illinois 60603. Authority sought to operate as a common carrier by vehicle, over regular routes, transporting: *General Commodities, (except those of unusual value, Classes A and B explosives, household goods as defined by the Commission, Commodities in bulk, and those requiring special equipment)—A (1) Between Chicago, Illinois and Louisville, Kentucky, from Chicago over U.S. Highway 41 to Schererville, Indiana, thence over U.S. Highway 30 to junction Interstate Highway 65, thence over Interstate Highway 65 to Indianapolis, Indiana, thence over U.S. Highway 31 to junction Interstate Highway 65 (at or near Taylorsville), thence over Interstate Highway 65 to Louisville, and return over the same route; (2) between Indianapolis, Indiana and Cincinnati, Ohio, from Indianapolis over U.S. Highway 421 to junction Interstate Highway 74, thence over Interstate Highway 74 to junction U.S. Highway 52 (at or near Cincinnati), thence over U.S. Highway 52 to Cincinnati, and return over the same route; (3) Between Chicago, Illinois and Evansville, Indiana, from Chicago over U.S. Highway 41 to Evansville, and return over the same route; (4) between Chicago, Illinois and Portsmouth, Ohio, from Chicago over U.S. Highway 41 to Schererville, Indiana, thence over U.S. Highway 30 to junction State Highway 309 (at or near Delphos, Ohio), thence over State Highway 309 to Kenton, thence over State Highway 31 to Marysville, thence over U.S. Highway 33 to Columbus, thence over U.S. Highway 23 to Portsmouth, and return over the same route; (5) between Fort Wayne, Indiana and Dayton, Ohio, from Fort Wayne, Indiana, over U.S. Highway 33 to Willshire, Ohio, thence over State Highway 49 to Dayton, Ohio, and return over the same route; (6) between East Liverpool, Ohio and junction U.S. Highway 30 and Ohio State Highway 309, from East Liverpool, Ohio, over U.S. Highway 30 to the junction of U.S. Highway 30 and State Highway 309, and return over the same route; (7) between Kenton, Ohio and Marietta, Ohio, from Kenton, Ohio, over State Highway 309 to Marion, Ohio, thence over State Highway 95 to junction State Highway 13, thence over State Highway 13 to Mt. Vernon, Ohio, thence over State*

Highway 586 to junction of State Highway 146, thence over State Highway 146 to Cumberland, Ohio, thence over State Highway 340 to junction Interstate Highway 77, thence over Interstate Highway 77 to junction State Highway 821, thence over State Highway 821 to Marietta, Ohio, and return over the same route; (8) Between Gas City, Indiana and the junction of U.S. Highways 30 and 31, from Gas City, Indiana, over State Highway 22 to junction State Highway 15, thence over State Highway 15 to junction State Highway 114, thence over State Highway 114 to junction State Highway 14, thence over State Highway 14 to junction U.S. Highway 31, thence over U.S. Highway 31 to junction U.S. Highway 30, and return over the same route.

(9) *Between Chicago, Illinois and Cleveland, Ohio, from Chicago, Illinois over U.S. Highway 41 to junction U.S. Highway 6, thence over U.S. Highway 6 to junction U.S. Highway 20, thence over U.S. Highway 20 to junction State Highway 10, thence over State Highway 10 to Cleveland, Ohio, and return over the same route; from Chicago, Illinois, over Interstate Highway 90 to Cleveland, Ohio, and return over the same route; (10) Between Akron, Ohio and the junction of U.S. Highway 20 and State Highway 18, from Akron, Ohio, over State Highway 18 to junction U.S. Highway 20, and return over the same route; (11) Between Warren, Ohio and Junction of U.S. Highway 20 and State Highway 303, from Warren, Ohio, over State Highway 82 to junction State Highway 303, thence over State Highway 303 to junction U.S. Highway 20, and return over the same route; serving in connection with each of the above specified routes, Chicago Heights, Illinois and all points in Indiana and Ohio as intermediate or off-route points; restricted to the transportation of traffic moving between Chicago and Chicago Heights, Illinois and points within their respective commercial zones, on the one hand, and, on the other, points in Indiana and Ohio, and those in Kentucky in the Cincinnati, Ohio and Louisville, Kentucky commercial zones; B (1) Between St. Louis, Missouri and New Albany, Indiana, from St. Louis over Interstate Highway 64 to New Albany, Indiana, and return over the same route; (2) Between St. Louis, Missouri and the Ohio-West Virginia State line, from St. Louis over U.S. Highway 40 to the Ohio-West Virginia State line, and return over the same route; (3) Between St. Louis, Missouri and the junction of Interstate Highways 69 and 90, from St. Louis, Missouri, over U.S. Highway 40 to Indianapolis, Indiana, thence over State Highway 37 to junction Interstate Highway 69, thence over Interstate Highway 69 to junction Interstate Highways 69 and 90, and return over the same route; (4) Between St. Louis, Missouri and Cleveland, Ohio, from St. Louis, Missouri, over U.S. Highway 40 to Columbus, Ohio, thence over Interstate Highway 71 to Cleveland, Ohio, and return over the same route, serving in connection with each of the*

above specified routes, all points in Indiana and Ohio as intermediate and off-route points; restricted to the transportation of traffic moving between St. Louis, Missouri and points within its commercial zone, on the one hand, and, on the other, points in Indiana and Ohio, and those in Kentucky in the Cincinnati, Ohio commercial zone. The authority sought in A and B above shall not be severable, by sale or otherwise, from any duplicating authority now held by carrier.

NOTE.—Applicant states it holds common carrier authority through a combination of regular and irregular route authorities to provide all of the services for which authority is sought. The purpose of the application is to convert presently held authorities entirely to regulate route authorities. If a hearing is deemed necessary, applicant requests that it be held at Chicago, Illinois.

MC 111812 (Sub-No. 534), filed May 9, 1977. Applicant: **MIDWEST COAST TRANSPORT, INC.,** P.O. Box 1233, Sioux Falls, South Dakota 57101. Applicant's representative: Ralph H. Jinks, P.O. Box 1233, Sioux Falls, South Dakota 57101. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat by-products* and articles distributed by meat packinghouses, as described in Sections A and C of Appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766, from Detroit, Michigan, to the Ports of Entry on the International Boundary Line between the United States and Canada located at or near Blaine, Washington.

NOTE.—Common control may be involved. If a hearing is deemed necessary, the applicant requests it be held at Seattle, Washington.

No. MC 113434 (Sub-No. 76), filed May 2, 1977. Applicant: **GRA-BELL TRUCK LINE, INC.,** 679 Lincoln Avenue, Holland, Michigan 49423. Applicant's representative: Wilhelmina Borsma, 1600 First Federal Building, Detroit, Michigan 48226. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Foodstuffs* (except in bulk), from Napoleon, Ohio to points in Kentucky, West Virginia, and those points in Pennsylvania on and west of U.S. Highway 220 and those in New York on and west of Interstate Highway 81, restricted to traffic originating at the named origin and destined to the named destination states.

NOTE.—If a hearing is deemed necessary, the applicant requests that it be held at Detroit, Michigan, Columbus, Ohio or Washington, D.C.

No. MC 113843 (Sub-No. 241), filed May 6, 1977. Applicant: **Refrigerated Food Express, Inc.,** 316 Summer Street, Boston, Massachusetts 02210. Applicant's representative: Lawrence T. Shells, 316 Summer Street, Boston, Massachusetts 02210. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting *Meats, meat products, and meat by-*

products, and articles distributed by meat packinghouses, as described in sections A and C of Appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except hides and commodities in bulk) from Oneida, New York to points in Michigan, Minnesota, Missouri, Nebraska, Ohio, Pennsylvania, West Virginia, Rhode Island, Connecticut, Maryland, New Hampshire, Massachusetts, Vermont, Maine, Tennessee, Virginia, Iowa.

NOTE.—Common control may be involved. If a hearing is deemed necessary the applicant requests it be held in Syracuse, N.Y. or Rochester, New York.

No. MC 113843 (Sub-No. 244), filed May 10, 1977. Applicant: **Refrigerated Food Express, Inc.,** 316 Summer Street, Boston, Massachusetts 02210. Applicant's representative: Lawrence T. Shells, 316 Summer Street, Boston, Massachusetts 02210. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting *Frozen Foods* from the storage facilities of Empire Freezers of Syracuse, Inc. located at Geddes and Syracuse, N.Y., to points in Maryland, Maine, Delaware and Virginia.

NOTE.—Common control may be involved. If a hearing is deemed necessary the applicant requests it be held in Syracuse, N.Y. or Rochester, N.Y.

MC 113855 (Sub No. 372), filed: April 29, 1977. Applicant: **INTERNATIONAL TRANSPORT, INC.,** 2450 Marion Road S.E., Rochester, Minnesota 55901. Applicant's representative: Michael E. Miller, 502 First National Bank Bldg., Fargo, North Dakota 58102. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Such commodities as are dealt in, or used by agricultural equipment, industrial equipment, and lawn and leisure product dealers (except commodities in bulk),* from Portland, Oreg., and Longview, Wash., to points in Washington, Oregon, California, Nevada, Idaho, Montana, Utah and Wyoming.

NOTE.—Common control may be involved. If a hearing is deemed necessary, the applicant requests it be heard at Portland, Oregon.

MC 113855 (Sub No. 373), filed: April 29, 1977. Applicant: **INTERNATIONAL TRANSPORT, INC.,** a corporation, 2450 Marion Road S.E., Rochester, Minnesota 55901. Applicant's representative: Alan Foss, 502 First National Bank Bldg., Fargo, North Dakota 58102. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, in interstate or foreign commerce, transporting: (1) *pre-cut log buildings,* and (2) *materials and supplies used in the construction, installation, and erection thereof,* from Polk County, Arkansas, to points in the United States (except Alaska and Hawaii).

NOTE.—Common control may be involved. If a hearing is deemed necessary, the applicant requests it be held at Little Rock, Arkansas, or Memphis, Tennessee.

No. MC 113855 (Sub-No. 374), filed: May 6, 1977. Applicant: **INTERNATIONAL TRANSPORT, INC.,** 2450 Marion Road, S.E., Rochester, Minn. 55901. Applicant's representative: Alan Foss, 502 First National Bank Bldg., Fargo, N. Dak. 58102. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, in interstate or foreign commerce, transporting: *Fireplaces, grills and parts and accessories, for fireplaces and grills,* from Santa Fe Springs, Calif., to points in the United States (except Alaska and Hawaii).

NOTE.—Common control may be involved. If a hearing is deemed necessary, the applicant requests it be held at Los Angeles or San Francisco, Calif.

No. MC 115092 (Sub-No. 59), filed May 3, 1977. Applicant: **Tomahawk Trucking, Inc.,** P.O. Box O, Vernal, Utah 84078. Applicant's representative: Walter Kobos, 1016 Kehoe Drive, St. Charles, Ill. 60174. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Lumber, lumber mill products, lumber products and wood products,* from points in Oregon, Washington and Idaho, to points in Colorado, Utah and Nevada.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Portland, Oreg.

MC 115162 (Sub-No. 357), filed May 3, 1977. Applicant: **POOLE TRUCK LINE, INC.,** Post Office Drawer 500, Evergreen, Ala. 36401. Applicant's representative: Robert E. Tate (same address as applicant). Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Alfalfa,* from Shattuck Farms, Inc., located in Ellis County, Oklahoma, to points in New York, Michigan, Ohio, New Hampshire, New Jersey, Pennsylvania, Georgia, Florida, Delaware and Maryland.

NOTE.—If a hearing is deemed necessary the applicant requests it be held at either Oklahoma City, Oklahoma or Tulsa, Oklahoma.

MC 115162 (Sub-No. 359), filed April 27, 1977. Applicant: **POOLE TRUCK LINE, INC.,** Post Office Drawer 500, Evergreen, Alabama 36401. Applicant's representative: Robert E. Tate (same address as applicant). Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Lumber and wood products,* from Lamolite County and Calendon County, Vermont; and Oxford County, Maine to points in the United States in and east of North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, and Texas.

NOTE.—If a hearing is deemed necessary the applicant requests it be held at either New York City, New York or Washington, D.C.

MC 115162 (Sub-No. 360), filed April 27, 1977. Applicant: **POOLE TRUCK LINE, INC.,** Post Office Drawer 500, Evergreen, Alabama 36401. Applicant's representative: Robert E. Tate (same address as applicant). Authority sought to operate as a common carrier, by motor

vehicle, over irregular routes, transporting: *Tractors* (except truck tractors), *attachments, parts and accessories* for tractors when moving at the same time and in the same shipment with tractors from the plant site of Ford Motor Company in Romeo, Mich., to points in Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia.

NOTE.—If a hearing is deemed necessary the applicant requests it be held at either Detroit, Mich., or Birmingham, Ala.

No. MC 116254 (Sub-No. 182), filed May 2, 1977. Applicant: CHEM-HAULERS, INC., P.O. Box 339, Florence, Alabama 35630. Applicant's representative: Hampton M. Mills, P.O. Box 339, Florence, Alabama 35630. Authority sought: to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Spent Phosphoric Acid and Phosphatic Fertilizer Solutions*, in bulk, in tank vehicles, from: Clanton and Cullman, Alabama, Magnolia, Arkansas, Cleveland, Hernando, McComb, and Pontotoc, Mississippi, Kennett, Missouri, and Cleveland, Tennessee, to: points in Alabama, Arkansas, Florida, Illinois, Kentucky, Louisiana, Mississippi, and Texas.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at either Birmingham, Ala. or Memphis or Nashville, Tenn.

No. MC 117568 (Sub-No. 13), filed May 9, 1977. Applicant: KEMPT TRUCK LINES, INC., P.O. Box 156, Verona, Missouri 65769. Applicant's representative: John E. Jandera, 641 Harrison Street, Topeka, Kansas 66603. Authority sought: to operate as a *contract carrier* by motor vehicle over irregular routes, transporting: (1) Charcoal Briquettes, Between the plant site and warehouse facilities of Husky Industries, Inc. located at or near Branson, Missouri and points in Texas, Louisiana, Arkansas, Oklahoma, Arizona, New Mexico, Kansas, Colorado, Tennessee and Mississippi. (2) Materials and supplies used in the manufacture of (1) above, from points in Texas, Louisiana, Arkansas, Oklahoma, Arizona, New Mexico, Kansas, Colorado, Tennessee and Mississippi to the plant site and warehouse facilities of Husky Industries, Inc. located at or near Branson, Missouri, under a continuing contract, or contracts, with Husky Industries, Inc.

NOTE.—If a hearing is deemed necessary, the applicant requests that it be held at Kansas City, Mo.

No. MC 117815 (Sub-No. 264), filed May 2, 1977. Applicant: PULLEY FREIGHT LINES, INC., 405 S.E. 20th Street, Des Moines, Iowa 50317. Applicant's representative: Jack H. Blanshan, Suite 200, 205 West Touhy Ave., Park Ridge, Ill. 60068. Authority sought: to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods* (except commodities in bulk), from the facilities of Ore-Ida Foods, Inc. located at or near Greenville, Michigan, to points in Illinois, Iowa,

Kansas, Minnesota, Missouri, Nebraska and Wisconsin, restricted to the transportation of traffic originating at the above specified origin and destined to the named destinations.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at either Chicago, Ill. or Washington, D.C.

No. MC 118142 (Sub-No. 146), filed May 5, 1977. Applicant: M. BRUENGER & CO., INC., 6250 North Broadway, Wichita, Kansas 67219. Applicant's Representative: Lester C. Arvin, 814 Century Plaza Building, Wichita, Kansas 67202. Authority sought: to operate as a *common carrier* by motor vehicle, over irregular routes, transporting: *Bananas*, having prior movement by water, from Norfolk, Virginia, to points in Ohio, Indiana, Illinois, Missouri, Kansas, Colorado, Oklahoma, Arkansas, Tennessee, Nebraska, Iowa, Michigan, and Wisconsin.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at either Wichita, Kans., or Kansas City, Mo.

No. MC 118159 (Sub-No. 210), filed April 28, 1977. Applicant: NATIONAL REFRIGERATED TRANSPORT, INC., P.O. Box 51366, Dawson Station, Tulsa, Okla. 74151. Applicant's representative: Warren Taylor (Same address as applicant). Authority sought: to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Paper and paper articles* from the facilities of Scott Paper Company at Mobile, Ala. to points in Conn., Del., Maine, Md., Mass., N.H., N.J., N.Y., Pa., R.I., Vt., Va., W. Va., and the District of Columbia.

NOTE.—Common control may be involved. If a hearing is deemed necessary, the applicant requests it be held at Chicago, Ill.

No. MC 118535 (Sub-No. 98), filed April 29, 1977. Applicant: TIONA TRUCK LINE, INC., 111 S. Prospect, Butler, Mo. 64730. Applicant's representative: Jim Tiona, Jr. (same address as applicant). Authority sought: to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Lead and lead alloys* (except commodities which because of size or weight, require the use of special equipment) from Omaha, Nebraska, to points in Arkansas, Colorado, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Tennessee, and Texas; (2) *Junk batteries*, from Arkansas, Colorado, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Tennessee, and Texas to Omaha, Nebraska and Frisco, Texas.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at Kansas City, Missouri.

No. MC 119160 (Sub-No. 10), filed May 9, 1977. Applicant: H. E. SPANN AND COMPANY, INC., P.O. Box 1111, Highway 67 East, Mt. Pleasant, TX 75455. Applicant's representative: Paul D. Angenend, P.O. Box 2207, Austin, TX 78768. Authority sought: to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Aggregates* from points in Morris County, TX, to points in Louisiana (except points in Bossier,

Caddo, DeSoto, and Webster Parishes, LA).

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at Dallas, TX, or Washington, D.C.

No. MC 119619 (Sub-No. 102), filed May 4, 1977. Applicant: DISTRIBUTORS SERVICE CO., a Corporation, 2000 West 43 Street, Chicago, Ill. 60609. Applicant's representative: Arthur J. Piken, One Lefrak City Plaza, Suite 1515, Flushing, N.Y. 11368. Authority sought: to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (a) *Chemical compounds and Chemical compound tanks*, between Wilkesonville, Mass. and points in Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Ohio, and Wisconsin; (b) *Plastic film, Plastic film dispensing and packaging equipment*, between Wilkesonville, Mass. and points in Illinois, Indiana, Iowa, Kentucky, Michigan, Missouri, Minnesota, Ohio and Wisconsin; and (c) *Plastic pellets and granules* from Leominster, Mass., to points in Ohio, Indiana, and Illinois.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at Boston, Mass.

No. MC 119619 (Sub-No. 103), filed May 4, 1977. Applicant: DISTRIBUTORS SERVICE CO., a Corporation, 2000 West 43 Street, Chicago, Ill. 60609. Applicant's representative: Arthur J. Piken, One Lefrak City Plaza, Suite 1515, Flushing, N.Y. 11368. Authority sought: to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs* in mixed shipments with meats, meat products and meat by-products, and articles distributed by meat packing houses, as described in Sections A and C of Appendix I to the report in *Descriptions in motor carrier certificates*, 61 M.C.C. 209 and 766 (except hides and commodities in bulk, in tank vehicles), in mechanically refrigerated vehicles, from the plant sites and/or storage facilities utilized by Oscar Mayer & Co., Inc. at or near Madison, Wis., to points in Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, and the District of Columbia, restricted to traffic originating at the named origin and destined to the named destination states.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at Chicago, Ill.

No. MC 119619 (Sub-No. 104), filed May 4, 1977. Applicant: DISTRIBUTORS SERVICE CO., a Corporation, 2000 West 43 Street, Chicago, Ill. 60609. Applicant's representative: Arthur J. Piken, One Lefrak City Plaza, Suite 1515, Flushing, N.Y. 11368. Authority sought: to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs*, from Manchester, N.H., to points in the states of Kentucky, Indiana, Illinois, Iowa, Michigan, Minnesota, Missouri, Ohio, Pennsylvania, restricted

against the transportation of commodities in bulk.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at Boston, Mass.

No. MC 119619 (Sub-No. 105), filed May 4, 1977. Applicant: **DISTRIBUTORS SERVICE CO.**, a Corporation, 2000 West 43 Street, Chicago, Ill. 60609. Applicant's representative: Arthur J. Piken, One Lefrak City Plaza, Suite 1515, Flushing, N.Y. 11368. Authority sought to operate as a *common carrier*, by motor vehicle over irregular routes, transporting: *Foodstuffs* in vehicles equipped with mechanical refrigeration from points in Cook, Lake, McHenry, Kane, DuPage, and Will Counties in Illinois, and LaPorte, Lake, Porter Counties in Indiana to points in Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, New Jersey, Maryland, Delaware, West Virginia, Virginia, and the District of Columbia, restricted against the transportation of commodities in bulk.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at Chicago, Ill.

No. MC 119741 (Sub-No. 71), filed April 28, 1977. Applicant: **GREEN FIELD TRANSPORT COMPANY, INC.**, 3225 Fifth Avenue South, Fort Dodge, Iowa 50501. Applicant's representative: D. L. Robson, P.O. Box 1235, Fort Dodge, Iowa 50501. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat by-products, and articles distributed by meat packing-houses*, as described in Sections A and C of Appendix I to the report is *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except hides and commodities in bulk, in tank vehicles), from Darr, Nebr., to points in Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Ohio, and Wisconsin.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at either Omaha or Lincoln, Nebr.

No. MC 119777 (Sub-No. 334), filed March 30, 1977. Applicant: **LIGON SPECIALIZED HAULER, INC.**, Highway 85 East, Madisonville, Ky. 42431. Applicant's representative: Carl U. Hurst, P.O. Drawer "L", Madisonville, Ky. 42431. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Pipe*, as described in *Mercer Extension—Oil Field Commodities*, 74 M.C.C. 459, used in, incidental to, or in connection with the discovery, development, production, refining, manufacture, processing, storage, transmission, and distribution of natural gas and petroleum and their products and by-products, including the stringing and picking up of main pipelines, from the plant site and facilities utilized by Lone Star Steel Company located at or near Lone Star, Tex., to points in Connecticut, Delaware, Florida, Georgia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North

Carolina, Rhode Island, South Carolina, and Virginia.

NOTE.—Common control may be involved. If a hearing is deemed necessary, the applicant requests it be held at either Dallas or Houston, Tex.

No. MC 119974 (Sub-No. 66), filed May 9, 1977. Applicant: **L. C. L. TRAN-SIT COMPANY**, a Corporation, 949 Advance Street, Green Bay, Wis. 54304. Applicant's representative: L. F. Abel, P.O. Box 949, Green Bay, Wis. 54305. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Corn Products and Blends thereof*, in bulk, in tank vehicles, from Indianapolis, Ind., to points in Illinois, Iowa, Indiana, Kentucky, Michigan, Ohio, Pennsylvania, Tennessee, West Virginia, and Wisconsin.

NOTE.—If hearing is deemed necessary, the applicant requests it be held at Chicago, Ill. or Washington, D.C.

No. MC 120727 (Sub-No. 8), filed May 3, 1977. Applicant: **GALLATIN-PORTLAND FREIGHT LINES, INC.**, P.O. Box 888, Gallatin, Tenn. 37066. Applicant's representative: Walter Harwood, P.O. Box 15214, Nashville, Tenn. 37215. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Scrap aluminum* in bulk, from the plantsite facilities of General Electric Company located at or near Hendersonville, Tenn., to Russellville, Ala.

NOTE.—If a hearing is deemed necessary, the applicant requests that it be held at Nashville, Tenn.

No. MC 121496 (Sub-No. 5), filed April 1, 1977. Applicant: **CANGO CORPORATION**, Suite 2900, 1100 Milam Building, Houston, Tex. 77002. Applicant's representative: E. Stephen Heisley, Suite 805, 666 Eleventh Street NW., Washington, D.C. 20001. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Sodium salt solutions*, in bulk, in tank vehicles, from the plantsite of and storage facilities utilized by Merichem Company located at Houston, Tex. and points in its commercial zone, to points in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, and Oklahoma.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held on a consolidated record with similar applications at Houston, Tex.

No. MC 123233 (Sub-No. 72), filed May 2, 1977. Applicant: **Provost Cartage Inc.**, 7887 Grenache Street, Ville d'Anjou, Que., Canada H1J 1C4. Applicant's representative: J. P. Vermette (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *alcoholic beverages*, in bulk, in tank vehicles, between the Port of Entry on the International Boundary Line between the United States and Canada located at Alexandria Bay, N.Y. and Lawrenceburg, Ind., restricted to the transportation of traffic having an immediate

subsequent or prior movement in foreign commerce, in through, single-line, local service.

NOTE.—Common control may be involved. If a hearing is deemed necessary, the applicant requests it be held at Albany, N.Y. or Montpelier, Vt.

No. MC 123233 (Sub-No. 73), filed May 6, 1977. Applicant: **Provost Cartage Inc.**, 7887 Grenache Street, Ville d'Anjou, Que., Canada H1J 1C4. Applicant's representative: J. P. Vermette (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *cement*, in bulk, in tank vehicles, from Massena, N.Y. to the Ports of Entry located on the International Boundary line between the United States and Canada, at Roosevelttown, Trout River, and Fort Covington, N.Y. Restricted to the transportation of traffic having an immediate subsequent movement in foreign commerce, in through, single-line, local service.

NOTE.—Common control may be involved. If a hearing is required, applicant requests that it be held at Albany, N.Y. or Montpelier, Vt.

No. MC 123272 (Sub-No. 13), filed April 29, 1977. Applicant: **FAST FREIGHT, INC.**, 9651 South Ewing Avenue, Chicago, Ill. 60617. Applicant's representative: Joseph M. Scanlan, 111 West Washington Street, Chicago, Ill. 60602. Authority sought to operate as a *common carrier* over irregular routes transporting: *Plastic or plastic-coated articles*, from the plant site and the warehouse of Amoco Plastic Products Company between Seymour, Ind., on the one hand, and, on the other points in Michigan and Wisconsin.

NOTE.—Common control may be involved. If a hearing is deemed necessary, the applicant requests it be held at either Chicago, Ill., or Seymour, Ind.

No. MC 123316 (Sub-No. 7), filed April 29, 1977. Applicant: **MILAN TRUCKING CO., INC.**, 233 South Gladstone Avenue, Columbus, Ind. 47201. Applicant's representative: Robert W. Loser, 1009 Chamber of Commerce Bldg., Indianapolis, Ind. 46204. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat by-products, and articles distributed by meat packinghouses*, as described in Sections A and C of Appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except liquid commodities in bulk, in tank vehicles), from Columbus, Ind., to points in the District of Columbia, Connecticut, Florida, North Carolina, Virginia, Maryland, South Carolina, New Jersey, New York, Louisiana, Massachusetts, and Georgia, restricted (1) to traffic originating at the plantsite or storage facilities of Stadler Packing Company, Inc., at Columbus, Indiana; (2) to movements under a continuing contract, or contracts, with Stadler Packing Company, Inc., of Columbus, Indiana; and (3) to traffic moving in refrigerated vehicles.

NOTE.—If a hearing is deemed necessary, applicant requests that it be held at either Indianapolis, Ind., or Washington, D.C.

No. MC 123389 (Sub-No. 38), filed April 29, 1977. Applicant: CROUSE CARTAGE COMPANY, a Corporation, P.O. Box 151, Carroll, Iowa 51401. Applicant's representative: James E. Ballenthin, 630 Osborn Building, St. Paul, Minn. 55102. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Brick from Kanopolis, Kans., and Fairbury, Nebr., to Chicago, Ill.

NOTE.—Applicant intends to join the authority sought herein with authority held by it in MC-123389 (Sub-Nos. 15 and 17) so as to provide service to points in Lake, DuPage, Cook, Will, Kane, Kendall, McHenry, DeKalb, Grundy, and Kankakee Counties, Ill., and points between Chicago and Des Moines, Iowa on U.S. Highway 34, Illinois Highway 65, Illinois Highway 31, Illinois Highway 92, and U.S. Highway 6. Common control may be involved. If a hearing is deemed necessary, applicant requests that it be held at Chicago, Ill.

No. MC 123407 (Sub-No. 371), filed April 28, 1977. Applicant: SAWYER TRANSPORT, INC., South Haven Square, U.S. Highway 6, Valparaiso, Ind. 46383. Applicant's representative: H. E. Miller, Jr. (same address as applicant). Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Construction forms from Centralia, Ill., to points in the United States (except Illinois, Wisconsin, Iowa, Minnesota, North Dakota, South Dakota, Nebraska, Wyoming, Tennessee, Mississippi, Alabama, Georgia, Florida, and Louisiana).

NOTE.—Applicant intends to join the authority sought herein with authority held by it in MC-123407 (Sub-No. 372), filed May 2, 1977. Applicant: SAWYER TRANSPORT, INC., South Haven Square, U.S. Highway 6, Valparaiso, Ind. 46383. Applicant's representative: H. E. Miller, Jr. (same address as applicant). Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Accessories for concrete construction, steel form, and fabricated steel from Parsons, Kans., to points in California, Washington, Oregon, Arizona, and Montana.

NOTE.—Common control may be involved. If a hearing is deemed necessary, applicant requests that it be held at Kansas City, Kans., or Chicago, Ill.

No. MC 123872 (Sub-No. 70), filed May 3, 1977. Applicant: W. & L. MOTOR LINES, INC., P.O. Box 2607, Hickory, N.C. 28601. Applicant's representative: Allen E. Bowman (same address as applicant). Authority sought to operate as a common carrier by motor vehicle, over irregular routes, transporting: Floor coverings, and materials and supplies, used in the installation, manufacture, packaging and sale of floor coverings, when moving in mixed shipments with floor coverings (except commodities in bulk), from Lyrly, Ga., and Greenville

and Landrum, S.C., to points in Colorado, Iowa, Kansas, and Nebraska.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Washington, D.C., or Charlotte, N.C.

No. MC 123872 (Sub-No. 71), filed May 5, 1977. Applicant: W. & L. MOTOR LINES, INC., P.O. Box 2607, Hickory, N.C. 28601. Applicant's representative: Allen E. Bowman, P.O. Box 2607, Hickory, N.C. 28601. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Bakery goods and foodstuffs (except commodities in bulk), from: Charlotte, N.C. to points in Arizona, California, Colorado, Kansas, Nebraska, Nevada, New Mexico, Oklahoma, Texas, and Utah.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at either Charlotte, N.C. or Washington, D.C.

No. MC 123405 (Sub-No. 50) (partial correction), filed April 22, 1977, published in the FEDERAL REGISTER issue of May 19, 1977 as MC 123405 (Sub-No. 58), and republished as corrected this issue. Applicant: FOOD TRANSPORT, INC., R.D. No. 1, Thomasville, Pa. 17364. Applicant's representative: Christian V. Graf, 407 North Front Street, Harrisburg, Pa. 17101. The purpose of this republication in part is to indicate the correct docket number in this proceeding as No. MC 123405 (Sub-No. 50) in lieu of No. MC 123405 (Sub-No. 58) as previously published in error. The rest of the publication remains the same.

No. MC 124121 (Sub-No. 11), filed May 3, 1977. Applicant: NUSSBERGER BROS. TRUCKING CO., INC., 929 Railroad Street, Printice, Wis. 54556. Applicant's representative: Richard A. Westley, 4506 Regent Street, Suite 100, Madison, Wis. 53705. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: (1) Doors, sashes, window units, screens, frames, window blinds, and parts and accessories of the aforementioned commodities, from Hawkins, Wis., to points in Colorado, Connecticut, Delaware, Georgia, Maine, Maryland, Massachusetts, Montana, New Hampshire, New Jersey, New York, North Carolina, Rhode Island, Vermont, Virginia, Wyoming, and the District of Columbia; and (2) materials and supplies used in the manufacture and distribution of the commodities described in (1) above (except commodities in bulk), from points in Arkansas, California, Colorado, Connecticut, Delaware, Georgia, Maine, Maryland, Massachusetts, Montana, New Hampshire, New Jersey, New York, North Carolina, Oklahoma, Rhode Island, Vermont, Virginia, Wyoming, and the District of Columbia, to Hawkins, Wis., under a continuing contract, or contracts, with Northern Sash and Door Company, of Hawkins, Wis.

NOTE.—Applicant holds common carrier authority in No. MC 136545, therefore dual operations may be involved. If a hearing is deemed necessary, the applicant requests it

be held at either Eau Claire, Wis.; Minneapolis-St. Paul, Minn.; Milwaukee, Wis.; or Chicago, Ill.

No. MC 124887 (Sub-No. 33), filed May 3, 1977. Applicant: SHELTON TRUCKING SERVICE, INC., Route 1, Box 230, Altha, Fla. 32421. Applicant's representative: Sol H. Proctor, 1101 Blackstone Building, Jacksonville, Fla. 32202. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Fertilizer, dry, from Sneads, Fla. to points in Alabama and Georgia.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held in Jacksonville, Fla., Atlanta, Ga., or Tallahassee, Fla.

No. MC 125533 (Sub-No. 18), filed May 2, 1977. Applicant: GEORGE W. KUGLER, INC., 2800 East Waterloo Road, Akron, Ohio 44309. Applicant's representative: John P. McMahon, 100 East Broad Street, Columbus, Ohio 43215. Authority sought to engage in operation, in interstate or foreign commerce, as a common carrier, by motor vehicle, over irregular routes, transporting: clay and shale products, pipe, conduit, wall coping, firebrick, fittings, fitting compounds, and materials and supplies used in the installation thereof (except in bulk), from Gulf and Greensboro, N.C. to points in Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, West Virginia, and the District of Columbia.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at Washington, D.C.

No. MC 126118 (Sub-No. 40), filed April 18, 1977. Applicant: CRETE CARRIER CORPORATION, P.O. Box 81228, Lincoln, Nebr. 68501. Applicant's representative: Duane W. Ackie (same address as applicant). Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: (1) Automotive parts and equipment, materials and supplies used in the manufacture of automotive parts, between Columbus, Nebr., Marianna, Ark., Cleveland, Miss., and Carrollton, Columbus, Newnan, and Tucker, Ga.; Sewing machines, fertilizer spreaders, fertilizer applicators, metal tanks, bomb parts (non-explosive), automotive parts, and equipment, materials, and supplies used in the manufacture of the above-described commodities between Columbus, Nebr., Marianna, Ark., Cleveland, Miss., Detroit, Mich., Red Oak, Iowa, and Carrollton, Columbus, Newnan, and Tucker, Ga., on the one hand, and, on the other, Newark, N.J., Fort Smith and West Helena, Ark., St. Louis and Kansas City, Mo., Baltimore, Md., Minneapolis and St. Paul, Minn., Ravenswood, W. Va., and points in Ill., Ind., Iowa, Mich., Ohio, Pa., Wis., Ga., Ala., Fla., Tenn., and Ky.; (2) Sprayers, spray equipment and conveyor systems, and materials, equipment, and supplies used in the manufacture thereof (except commodities in bulk, in tank vehicles), between Red Oak and

Humboldt, Iowa, Columbus, Nebr., Marianna, Ark., Columbus, Tucker, Newnan, Carrollton, Adel, and Atlanta, Ga., Cleveland, Miss., Memphis, Tenn., and Detroit, Mich., on the one hand, and, on the other, points in Ill., Mich., Ind., Ohio, Pa., Fla., Ark., Wis., Ga., Ala., Tenn., Ky., La., Miss., N.Y., N.J., Iowa, Neb., Mo., Tex., N.C., Minn., Md., W. Va., Va., Mass., Conn., and Calif.; *Sewing machines, fertilizer spreaders and fertilizer applicators, metal tanks, bomb parts (non-explosive), and automobile parts, materials and supplies, and equipment, materials, and supplies utilized in the manufacture thereof (except commodities in bulk, in tank vehicles), between Red Oak, Iowa, on the one hand, and, on the other, points in Ark., La., Miss., N.Y., N.J., Colo., Neb., Mo., Kan., Tex., N.C., Minn., Md., W. Va., Va., Mass., Conn., and Calif.; between Humboldt, Iowa, on the one hand, and, on the other, points in Ill., Mich., Ind., Ohio, Pa., Fla., Ark., Wis., Ga., Ala., Tenn., Ky., La., Miss., N.Y., N.J., Iowa, Neb., Colo., Mo., Tex., N.C., Minn., Md., W. Va., Va., Mass., Conn., and Calif.; Bomb parts (non-explosive), and equipment, materials, and supplies utilized in the manufacture thereof (except commodities in bulk, in tank vehicles), between Columbus, Ga., on the one hand, and, on the other, points in Ark., La., Miss., N.Y., N.J., Neb., Mo., Kan., Tex., N.C., Minn., Md., W. Va., Va., Mass., Conn., and Calif.; *Automobile parts, materials and supplies, and equipment, materials and supplies utilized in the manufacture thereof (except commodities in bus, Neb., Marianna, Ark., Columbus, Tucker, Newnan, and Carrollton, Ga., Cleveland, Miss., and Detroit, Mich., on the one hand, and, on the other, points in Fla., Ark., Colo., La., Miss., N.Y., N.J., Neb., Mo., Kan., Tex., N.C., Minn., Va., Mass., Conn., and Calif.; between Memphis, Tenn., on the one hand, and, on the other, points in Ill., Mich., Ind., Ohio, Pa., Fla., Ark., Wis., Ga., Ala., Ky., La., Miss., N.Y., N.J., Neb., Mo., Kan., Tex., N.C., Minn., Md., W. Va., Va., Mass., Conn., Iowa, and Calif.; between Atlanta and Adel, Ga., on the one hand, and, on the other, points in Ark., La., Miss., N.Y., N.J., Neb., Mo., Kan., Tex., N.C., Minn., Md., W. Va., Va., Mass., Conn., and Calif.; between Atlanta, Ga., on the one hand, and, on the other, points in Ill., Mich., Ind., Ohio, Pa., Fla., Ark., Wis., Ga., Ala., Tenn., Ky., and Iowa.**

(3) *Automobile parts and equipment, materials and supplies used in the manufacture thereof (except commodities in bulk, in tank vehicles), between Rushville, Neb., and points in Calif., Mo., and Kan., on the one hand, and, on the other, points in Ill., Colo., Mich., Ind., Ohio, Ga., Pa., and Marianna, Ark., Cleveland, Miss., Humboldt and Red Oak, Iowa, Memphis, Tenn., Columbus, Nebr., Milwaukee, Wis., and points in the Minneapolis-St. Paul, Minn., commercial zone as defined by the Commission, restricted to traffic originating at or destined to facilities utilized by the Douglas and Lomason Company.*

NOTE.—Applicant seeks by this application to convert its permits in MC 128375 Subs 12, 17, 29 and 41, into a certificate of public convenience and necessity. Applicant holds contract carrier authority in MC 128375 and subs thereunder, therefore dual operations may be involved. Common control may also be involved. If a hearing is deemed necessary, applicant requests it be held at Detroit, Mich., or Lincoln, Neb.

No. MC 127047 (Sub-No. 26), filed May 3, 1977. Applicant: ED RACETTE & SON, INC., 6021 North Broadway, Wichita, Kans. 67219. Applicant's representative: John E. Janders, 641 Harrison Street, Topeka, Kans. 66603. Authority sought to operate as a common carrier by motor vehicle over irregular routes, transporting: (1) *Component parts for mobile homes and recreational vehicles (except in bulk), from Hutchinson and Newton, Kans. to points in Idaho, Montana, Utah, and Wyoming; (2) materials and supplies used in the manufacture of (1) above. From points in Idaho, Montana, Utah, and Wyoming to Hutchinson and Newton, Kans.*

NOTE.—If a hearing is deemed necessary, the applicant requests it be held in Wichita, Kansas or Kansas City, Mo.

No. MC 128273 (Sub-No. 260), filed April 28, 1977. Applicant: MIDWESTERN DISTRIBUTION, INC., P.O. Box 189, Fort Scott, Kans. 66701. Applicant's representative: Elden Corban (same address as applicant). Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Paper, woodpulp, paper products, and products produced and utilized by manufacturers and converters of the foregoing commodities (except commodities in bulk), between Oswego, N.Y., on the one hand and, on the other, points in the United States (except Alaska, California, Hawaii, Oregon, Utah, and Washington).*

NOTE.—If a hearing is deemed necessary, applicant requests that it be held at Washington, D.C.

No. MC 128633 (Sub-No. 14), filed April 20, 1977. Applicant: LAUREL HILL TRUCKING CO., a Corporation, 614 New County Road, Secaucus, New Jersey 07094. Applicant's representative: William J. Augello, Jr., 120 Main Street, P.O. Box Z, Huntington, New York 11743. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: *Such commodities as are dealt in by department stores: From Secaucus, New Jersey to Cleveland, Ohio, restricted to traffic destined to The May Company, under a continuing contract, or contracts, with The May Company.*

NOTE.—Applicant holds motor common carrier authority in No. MC 128058 (Sub-No. 3), therefore, dual operations may be involved. If a hearing is deemed necessary, applicant requests that it be held in New York, New York or Cleveland, Ohio.

No. MC 129135 (Sub-No. 9), filed May 6, 1977. Applicant: KATUIN BROS. INC., 102 Terminal Street, Dubuque, Iowa 52001. Applicant's representative:

Carl E. Munson, 469 Fischer Building, Dubuque, Iowa 52001. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: (1) *Molybdenum compounds, molybdenum ores, molybdenum concentrates, molybdenum chemicals, molybdenum alloys, sulphuric acid, and tungsten concentrates (except commodities in bulk and those which, because of size or weight, require the use of special equipment), (a) From the facilities of AMAX Inc., and its subsidiaries at or near Fort Madison, Iowa, to points in the United States (except Iowa, Alaska, and Hawaii); (b) From the facilities of AMAX Inc., and its subsidiaries at or near Langeloth, Pennsylvania, to points in the United States (except Alaska, Hawaii, Maryland, Michigan, New Jersey, New York, Ohio, Penn., and West Virginia); and (2) *Materials and supplies used in the production and distribution of the commodities in (1) above (except commodities in bulk and those which, because of size or weight, require the use of special equipment), from points in the United States (except Iowa, Alaska, and Hawaii), to the facilities of AMAX Inc., and its subsidiaries at or near Fort Madison, Iowa, under a continuing contract, or contracts, with AMAX, Inc.**

NOTE.—Applicant holds common carrier authority in No. MC 126539 (Sub-No. 1) and other subs thereunder, therefore dual operations may be involved. If a hearing is deemed necessary, applicant requests that it be held at Des Moines, IA or Washington, D.C.

No. MC 129537 (Sub-No. 20), filed March 25, 1977. Applicant: REEVES TRANSPORTATION COMPANY, A Corporation, Rt. 5, Dews Pond Road, Calhoun, Ga. 30701. Applicant's representative: James E. Wharton, Suite 811, Metcalf Building, 100 S. Orange Avenue, Orlando, Fla. 32801. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Carpeting, floor coverings, carpet padding and materials, and supplies and equipment used in the installation of said commodities, between points in Florida.*

NOTE.—If a hearing is deemed necessary, applicant requests it be held at either Atlanta, Ga., or Tampa, Fla.

No. MC 133566 (Sub. No. 85), filed May 6, 1977. Applicant: GANGLOFF & DOWNHAM TRUCKING CO., INC., P.O. Box 479, Logansport, Indiana 46947. Applicant's representative: Charles W. Beinhauer, Suite 1573, One World Trade Center, New York, New York 10048. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Foodstuffs, in vehicles equipped with mechanical refrigeration (except commodities in bulk), from the plantsite and storage facilities of Stouffer Foods at or near Solon, Ohio, to points in Connecticut, Delaware, District of Columbia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota,*

Missouri, Nebraska, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Texas, Wisconsin, and Vermont, restricted to traffic originating at the above named plantsite and destined to points in the named destination states.

NOTE.—If a hearing is deemed necessary, applicant requests that it be held at New York, New York or Cleveland, Ohio.

No. MC 133689 (Sub-No. 124), filed May 3, 1977. Applicant: OVERLAND EXPRESS, INC., 719 First St., SW., New Brighton, Minn. 55112. Applicant's representative: Robert P. Sack, P.O. Box 6010, West St. Paul, Minn. 55118. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Cleaning compounds* (except commodities in bulk), from Toledo, Ohio, to points in Minnesota, Wisconsin, Iowa, North Dakota, South Dakota, Nebraska, and Kansas City, Kansas.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minnesota.

No. MC 133689 (Sub-No. 125), filed May 5, 1977. Applicant: OVERLAND EXPRESS, INC., 719 First St., SW., New Brighton, Minnesota 55112. Applicant's representative: Robert P. Sack, P.O. Box 6010, West St. Paul, Minnesota 55118. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Foodstuffs* (except commodities in bulk), from Albert Lea, Minnesota, to points in Ohio, Kentucky, Tennessee, North Carolina, South Carolina, and Georgia.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minnesota.

No. MC 133689 (Sub-No. 126), filed May 6, 1977. Applicant: OVERLAND EXPRESS, INC., 719 First St., SW., New Brighton, Minnesota 55112. Applicant's representative: Robert P. Sack, P.O. Box 6010, West St. Paul, Minnesota 55118. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Printed matter, and materials, equipment and supplies* used in the manufacture, sale, and distribution of printed matter (except commodities in bulk), from (1) Taunton, Massachusetts, to points in Ohio, Indiana, Illinois, North Carolina, South Carolina, and Kentucky; (2) From Versailles and Lexington, Kentucky, to points in New Jersey, Ohio, Illinois, Indiana, North Carolina, South Carolina, New York, and Iowa; (3) From Minneapolis, Minnesota to points in Kentucky.

NOTE.—If a hearing is deemed necessary, applicant request it be held at Minneapolis, Minnesota.

No. MC 133870 (Sub-No. 3), filed May 2, 1977. Applicant: JOHN P. WEYER, INC., Route 1, Box 86B, Brownsville, WI 53006. Applicant's representative: Richard C. Alexander, Suite 412 Empire Building, 710 North Plankinton Avenue, Milwaukee, WI 53203. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: (1) *Lime and lime products*, from points in Dodge, Fond du Lac, and Brown Counties, Wis., to points in Madison and St. Claire Counties, Ill., Jefferson, St. Charles, and St. Louis Counties, Mo., points in Indiana and Sioux City, Iowa and Buffalo, Minn., and (2) *Pallets*, from points in Madison and St. Claire Counties, Ill., Jefferson, St. Charles, and St. Louis Counties, Mo., points in Indiana, Sioux City, Iowa, and Buffalo, Minn., to points in Dodge, Fond du Lac, and Brown Counties, Wis., under a continuing contract, or contracts, with Western Lime & Cement Company.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Milwaukee, Wis.

No. MC 134064 (Sub-No. 5), filed May 6, 1977. Applicant: INTERSTATE TRANSPORT, INC., 1820 Atlanta Highway, Gainesville, Georgia 30501. Applicant's representative: Charles M. Williams, 350 Capitol Life Center, 1600 Sherman Street, Denver, Colorado 80203. Authority to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Prepared flour mixes and frosting mixes*, from the plantsite and storage facilities of Chelsea Milling Co. at or near Chelsea, Michigan, to points in Alabama, Florida, Georgia, North Carolina, South Carolina, and Tennessee.

NOTE.—Common control may be involved. If a hearing is deemed necessary, Applicant requests that it be held at Detroit, Michigan.

No. MC 134150 (Sub-No. 12), filed May 6, 1977. Applicant: SOUTHWEST EQUIPMENT RENTAL, INC. d/b/a Southwest Motor Freight, 2931 South Market Street, Chattanooga, Tennessee 37410. Applicant's representative: Patrick E. Quinn, P.O. Box 82028, Lincoln, Nebraska 68501. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: *Medical, dental and consumer care products*, and materials, equipment and supplies used in the manufacture, production, and distribution of the above-named commodities, between the facilities of Cutter Laboratories located at or near Berkeley, California; San Lorenzo, California; Covina, California; City of Industry, California; Chattanooga, Tennessee; Clayton, North Carolina, and Ogden, Utah on the one hand, and, on the other, points in the United States (except Alaska and Hawaii), restricted to traffic originating at or destined to the facilities of Cutter Laboratories, Inc., further restricted against the transportation of commodities in bulk, in tank vehicles, and further restricted to a transportation service to be performed under a continuing contract, or contracts, with Cutter Laboratories, Inc.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at San Francisco, California or Los Angeles, California. Applicant holds common carrier authority in MC-138157 and subs thereunder, therefore dual operations may be involved. Common control may also be involved.

No. MC 134404 (Sub-No. 35), filed April 29, 1977. Applicant: AMERICAN TRANS-FREIGHT, INC., P.O. Box 796, Manville, N.J. 08835. Applicant's Representative: Eugene M. Malkin, 5 World Trade Center, Suite 6193, New York, N.Y. 10048. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: (1) *paper, paper products, pulpboard, and particle board*, from Franklin Va. to points in Kentucky, and (2) *materials, equipment, and supplies* used in the production, distribution, or sale of the aforementioned commodities (except commodities in bulk), from points in Kentucky to Franklin and Richmond, Va., under a continuing contract or contracts with Union Camp Corporation of Wayne, N.Y.

NOTE.—If a hearing is deemed necessary, applicant requests that it be held at New York, N.Y. or Washington, D.C.

No. MC 134477 (Sub-No. 166), filed May 4, 1977. Applicant: SCHANNO TRANSPORTATION, INC., 5 West Mendota Road, West St. Paul, MN 55118. Applicant's representative: Robert P. Sack, P.O. Box 6010, West St. Paul, MN 55118. Authority sought to operate as a common carrier by motor vehicle, over irregular routes, transporting *alcoholic beverages* (except malt beverages and commodities in bulk), from Minneapolis, Minnesota to Omaha, Nebraska.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minnesota.

No. MC 134477 (Sub-No. 167), filed May 3, 1977. Applicant: SCHANNO TRANSPORTATION, INC., 5 West Mendota Road, West St. Paul, MN 55118. Applicant's representative: Robert P. Sack, P.O. Box 6010, West St. Paul, MN 55118. Authority sought to operate as a common carrier by motor vehicle, over irregular routes, transporting *Alcoholic beverages* (except malt beverages and commodities in bulk), from Jacksonville, Fla; Boston, Mass; and points in California, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Michigan, New Jersey, Ohio, Pennsylvania, and Tennessee to Minneapolis, Minn.

NOTE.—If a hearing is deemed necessary, applicant request it be held at Minneapolis, Minnesota.

No. MC 134755 (Sub-No. 98), filed March 30, 1977. Applicant: CHARTER EXPRESS, INC., 1959 E. Turner Street, P.O. Box 3772, Springfield, Mo. 65804. Applicant's representative: Larry D. Knox, 900 Hubbell Building, Des Moines, Iowa 50309. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Meat, meat products and meat by-products, and articles distributed by meat packinghouses*, as described in Sections A and C of Appendix I to the report in *Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except hides and commodities in bulk), from the plantsite of Madison Foods, Inc. and the warehouse facilities utilized by Armour and Company located at Madison, Nebr., to points in Connecticut.

cut, Delaware, Maine, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, New Hampshire, Rhode Island, Virginia, Vermont, West Virginia, and the District of Columbia.

NOTE.—Applicant holds contract carrier authority in MC 138398 (Sub-No. 2) and sub numbers thereunder, therefore dual operations may be involved. Common control may also be involved. If a hearing is deemed necessary, applicant requests it be held at either Kansas City, Mo. or Omaha, Nebr.

No. MC 135684 (Sub-No. 37), filed April 28, 1977. Applicant: BASS TRANSPORTATION CO. INC., P.O. Box 391, Old Croton Road, Flemington, N.J. 08822. Applicant's representative: Herbert Alan Dubin, Federal Bar Building West, 1819 H Street, N.W., Suite 1030, Washington, D.C. 20006. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Plastic Materials*, in bulk, in tank vehicles, from Edgewater, N.J. to points in Connecticut, Delaware, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Rhode Island, and the District of Columbia.

NOTE.—Applicant holds motor contract authority in No. MC 87729 and sub numbers thereunder, therefore dual operations may be involved. If a hearing is deemed necessary, applicant requests it be held at either New York, NY or Washington, DC.

No. MC 135873 (Sub-No. 4), filed April 28, 1977. Applicant: K.S.S. TRANSPORTATION CORPORATION, Route 1 and Adams Station, North Brunswick, New Jersey 08902. Applicant's representative: Daniel C. Sullivan, Esq., 10 South LaSalle Street, Suite 1600, Chicago, Illinois 60603. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: *Such commodities as are manufactured, used, or dealt in by manufacturers or distributors of printed matter, paper, and paper products, between Metuchen, North Brunswick, Newark, and Linden, N.J., on the one hand, and, on the other, points in the United States (except Alaska and Hawaii), under a continuing contract or contracts with Beatrice Foods Co.*

NOTE.—If a hearing is deemed necessary the applicant requests it be held at Washington, D.C.

No. MC 138235 (Sub-No. 13), filed April 4, 1977. Applicant: DECKER TRANSPORTATION COMPANY, INCORPORATED, 412 Route 23, Pompton Plains, N.J. 07444. Applicant's representative: George A. Olsen, 69 Tonnele Avenue, Jersey City, N.J. 07306. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: *Wine, brandies, and vinegars (except in bulk) and commodities otherwise exempt from economic regulation under Section 203(b) (6) of the Interstate Commerce Act, when transported in the same vehicle with commodities subject to regulation, in insulated equipment, from Guasti and Cucamonga, Calif., to points in Delaware,*

Illinois, Indiana, Maryland, Michigan, New Jersey, New York, Ohio, Pennsylvania, West Virginia, and Wisconsin, under a continuing contract, or contracts, with Brookside Vineyard Co.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at either San Francisco or Los Angeles, Calif.

No. MC 138328 (Sub-No. 37), filed April 28, 1977. Applicant: CLARENCE L. WERNER, d/b/a WERNER ENTERPRISES, I-80 and Hiway 50, Omaha, Nebr. 68137. Applicant's representative: Donna Ehrlich, P.O. Box 37308, Omaha, Nebraska 68137. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Buildings, complete, knocked down or in sections, and component parts, materials, supplies, and fixtures, and accessories used in the erection and construction of buildings, from the facilities of Mitchell Engineering Company, division of The Ceco Corporation, located at or near Mount Pleasant, Iowa, to points in Arizona, California, Idaho, Montana, Nebraska, Nevada, Oregon, New Mexico, Utah, Washington, and Wyoming.*

NOTE.—Applicant holds contract carrier authority in MC 133233 Sub 1 and subs thereunder, therefore dual operations may be involved. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 138635 (Sub-No. 39), filed April 29, 1977. Applicant: CAROLINA WESTERN EXPRESS, INC., Box 3961, Gastonia, N.C. 28052. Applicant's representative: Eric Meierhoefer, Suite 712, 1511 K St. NW., Washington, D.C. 20005. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Frozen foods, from Ridgely, Md., to points in North Carolina, South Carolina, Georgia, Florida, Alabama, Tennessee, Texas, and Virginia.*

NOTE.—Applicant holds motor contract carrier authority in No. MC 136464 and sub numbers thereunder, therefore dual operations may be involved. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 138875 (Sub-No. 54), filed March 21, 1977. Applicant: SHOE-MAKER TRUCKING CO., a corporation, 11900 Franklin Road, Boise, Idaho 83705. Applicant's representative: F. L. Sigloh (same address as applicant). Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Frozen foods, (except meat and meat products, and meat by-products), and articles distributed by meat packinghouses, as described in Sections A and C of Appendix I to the report in Descriptions in Motor Carrier Certificates, 61 M.C.C. 209 and 766, and potato products (except frozen and except commodities in bulk), from points in Idaho, Oregon, and Washington to points in Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee.*

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at either Boise, Idaho, or Ontario, Ore.

No. MC 139091 (Sub-No. 19), filed April 4, 1977. Applicant: LOGAN MOTOR LINES, INC., 2829 Mays Street, Amarillo, Tex. 79109. Applicant's representative: Gallyn Larsen, P.O. Box 81849, Lincoln, Nebr. 68501. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: (1) *Candy and confectionary items (except commodities in bulk, in tank vehicles), from the plantsite and storage facilities of Leaf Confectionery located at Chicago, Ill., to points in Connecticut, Delaware, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, and the District of Columbia; and (2) such commodities as are used in the manufacture and distribution of candy and confectionery items (except in bulk, in tank vehicles), from points in Connecticut, Delaware, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, and the District of Columbia to the plantsite and storage facilities of Leaf Confectionery located at or near Chicago, Ill., under a continuing contract or contracts with Leaf Confectionery.*

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at either Chicago, Ill., or Washington, D.C.

No. MC 139116 (Sub-No. 3), filed April 29, 1977. Applicant: R. W. STEELE, d.b.a. R.W. Steele Trucking Co., 320 Heaslet St., Clovis, N. Mex. 88101. Applicant's representative: Hugh T. Matthews, 2340 Fidelity Union Tower, Dallas, Tex. 75201. Authority sought to operate as a common carrier by motor vehicle, over irregular routes, transporting: *Self-propelled irrigation systems and parts for self-propelled irrigation systems (except commodities which require the use of special equipment, plastic pipe, and plastic tubing), between points in Fillmore County, Nebr., on the one hand, and, on the other, points in the United States (except Alaska and Hawaii).*

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Dallas, Tex.

No. MC 139193 (Sub-No. 64), filed April 28, 1977. Applicant: ROBERTS & OAKE, INC., P.O. Box 1356, Sioux Falls, S. Dak. 57101. Applicant's representative: Jacob P. Billig, 2033 K Street NW., Washington, D.C. 20006. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat by-products, dairy products, and articles distributed by meat packinghouses, as described in Sections A, B, and C of Appendix I to the report in Descriptions in Motor Carrier Certificates, 61 M.C.C. 209 and 766 (except hides and liquid commodities in bulk), from the plantsite and storage facilities of John Morrell & Co., Sioux Falls, S. Dak., to*

points in Nebraska on and west of U.S. Highway 183, under a continuing contract or contracts with John Morrell & Co.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Washington, D.C., or Chicago, Ill.

No. MC 139193 (Sub-No. 65), filed May 2, 1977. Applicant: ROBERTS & OAKE, INC., P.O. Box 1356, Sioux Falls, S. Dak. 57101. Applicant's representative: Jacob P. Billig, 2033 K Street NW., Washington, D.C. 20006. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, and meat by-products*, as described in Sections A and C of Appendix I to the report in Descriptions in Motor Carrier Certificates, 61 M.C.C. 209 and 766 (except hides and liquid commodities in bulk), from Clarksville, Tenn., to points in Connecticut, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, and Virginia, under a continuing contract or contracts with Frosty Morn Meats, Inc.

NOTE.—If a hearing is deemed necessary, applicant requests that it be held at Washington, D.C., or Chicago, Ill.

No. MC 139227 (Sub-No. 3), filed May 3, 1977. Applicant: ROYAL TRANSPORTS, INC., P.O. Box 12628, North Kansas City, Mo. 64116. Applicant's representative: Robert L. Hawkins, Jr., P.O. Box 456, Jefferson City, Mo. 65101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *crude oil*, in bulk in tank vehicles, from Richardson County, Neb., to points in Miami and Johnson Counties, Kans.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at Kansas City, Mo.

No. MC 140033 (Sub-No. 24), filed May 3, 1977. Applicant: COX REFRIGERATED EXPRESS, INC., 10606 Goodnight Lane, Dallas, Tex. 75220. Applicant's representative: Lawrence A. Winkle, P.O. Box 45538, Dallas, Tex. 75245. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meat, meat products, meat byproducts, and articles distributed by meat packinghouses*, as described in Sections A and C of Appendix I to the report in Descriptions in Motor Carrier Certificates, 61 M.C.C. 209 and 766 (except hides, skins, and commodities in bulk, in tank vehicles), from Fort Morgan, Denver, and Sterling, Colo., to points in the states of Illinois, Ohio, Pennsylvania, New York, Maryland, Massachusetts, New Hampshire, and New Jersey.

HEARING: Beginning June 20, 1977, at Denver, Colo., before Administrative Law Judge Edward J. Reidy.

No. MC 140389 (Sub-No. 16), filed May 5, 1977. Applicant: OSBORN TRANSPORTATION, INC., P.O. Box 1830, Highway 77, Gadsden, Ala. 35902. Applicant's representative: Larry Smith, P.O. Box 1830, Highway 77, Gadsden, Ala. 35902.

Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meat, meat products, meat by-products, and articles distributed by meat packinghouses* as described in Descriptions in Motor Carrier Certificates, 61 M.C.C. 209 and 766 (except hides and commodities in bulk), from points in Colorado to points in Alabama, Florida, Georgia, Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, North Carolina, North Dakota, South Carolina, South Dakota, Tennessee, and Wisconsin.

NOTE.—Hearing beginning June 20, 1977, at Denver, Colo., before Administrative Law Judge Edward J. Reidy. Common control may be involved.

No. MC 140878 (Sub-No. 3), filed May 6, 1977. Applicant: SOUTHSIDE TRUCKING CO., INC., 401 Murry's Avenue, Alexandria, Va. 22301. Applicant's representative: Henry U. Snively, 410 Pine Street, Vienna, Va. 22180. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Insulation*, and (2) *equipment, materials, and supplies* used in the manufacture, sale, distribution, and installation of insulation, between the facilities of Cellin Manufacturing, Inc., at Lorton, Va., and Gunderland, N.Y., on the one hand, and on the other, points in Connecticut, Delaware, District of Columbia, Kentucky, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, and West Virginia restricted in (1) and (2) above (A) against the transportation of commodities in bulk, and (B) to the performance of a transportation service under a continuing contract or contracts with Cellin Manufacturing, Inc., located at Lorton, Va.

NOTE.—If a hearing is deemed necessary, applicant requests that it be held at Washington, D.C.

No. MC 140883 (Sub-No. 12), filed May 5, 1977. Applicant: DOWNS TRANSPORTATION CO., INC., 2705 Canna Ridge Circle NE., Atlanta, Georgia 30345. Applicant's representative: Paul M. Daniell, 1600 First Federal Building, Atlanta, Georgia 30303. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Plastic articles*, (except in bulk), from points in Newton and Rockdale Counties, Georgia to points in West Virginia, under a continuing contract, or contracts, with Mobil Chemical Company, Plastics Division located at Macedon, N.Y.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at Atlanta, Ga.

No. MC 141012 (Sub-No. 3), filed March 30, 1977. Applicant: BINGHAM TRANSPORTATION, INC., 2005 E. Avenue, Baxter Springs, Kans. 66713. Applicant's representative: Clyde N. Christey, 514 Capitol Federal Bldg., Topeka, Kans. 66603. Authority sought to operate as a

contract carrier, by motor vehicle, over irregular routes, transporting: (1) *Light-weight aggregate*, from Franklin and McPherson Counties, Kans., to points in Missouri on and south of U.S. Highway 54, and points on and west of Missouri Highway 5 and points in Oklahoma, (2) *sand and gravel*, (a) from Tulsa and Muskogee Counties, Okla., to points in Kansas on and south and east of U.S. Highway 35, and (b) from points in Kansas on and south of Interstate Highway 70, and points on and east of U.S. Highway 183, to points in Missouri on and south of U.S. Highway 54, and points on and west of Missouri Highway 5, and points in Oklahoma, (3) *gravel*, from Tulsa and Muskogee Counties, Okla., to points in Missouri on and west of U.S. Highway 65, (4) *limestone, sand and gravel*, from points in Missouri on and south of Interstate Highway 70, and points on and west of U.S. Highway 65, to points in Kansas on and south and east of Interstate Highway 35; and (5) *sand*, from Cherokee County, Kans., to points in Oklahoma, under a continuing contract or contracts in (1) through (5) with Bingham Sand & Gravel Co., Inc.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at Kansas City, Mo.

No. MC 141167 (Sub-No. 1), filed April 4, 1977. Applicant: LANGDON TRANSPORTATION, INC., 14625 Carmenita, Suite 222, Norwalk, Calif. 90650. Applicant's representative: Milton W. Flack, 4311 Wilshire Blvd., Suite 300, Los Angeles, Calif. 90010. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Coil steel*, requiring heat and humidity control, in mechanical refrigerated units, from Dearborne, Mich.; Sharon, Pa.; and Chicago, Ill.; to the plantsite of American Safety Equipment Corp., located at Pacoima, Calif.; (2) *molded plastic parts and hardware* used in the manufacture of seat belts and seat belt parts, from the ports of entry on the International Boundary Line between the United States and Canada, located at or near Buffalo, N.Y., and Detroit, Mich., and from Chicago, Ill., to the plantsites of American Safety Equipment Corp., located at Pacoima and Fresno, Calif.; and Palmyra, Mo.; (3) *plastic safety helmets*, from the plantsite of American Safety Equipment Corp., located at San Diego, Calif., to Wichita, Kans.; Kansas City and Cape Girardeau, Mo.; Minneapolis, Minn.; Antioch and Granite City, Ill.; Columbus and Dayton, Ohio; Palisades Park, N.J.; Little Rock, Ark.; Monroe and Baton Rouge, La.; Prattville, Ala.; and Clearwater, Fla.; (4) *stamping, iron and steel*, used in the manufacture of seat belts and seat belt parts, from the plantsite of American Safety Equipment Corp., located at Pacoima, Calif., to the plantsite of American Safety Equipment Corp., located at Palmyra, Mo.; and (5) *return, refused and rejected shipments* of the commodities named in (1)-(4) above, from the destination points named in (1)-(4)

above to their respective origin points, restricted in (2) above to traffic originating at Toronto, and Ontario, Canada, under a continuing contract, or contracts, in (1)-(5) above, with American Safety Equipment Corp.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Los Angeles, Calif.

No. MC 141493 (Sub-No. 1), filed May 3, 1977. Applicant: MASSA TRUCKING & LEASING CORP., 132 Cherry Lane, Medford, New York 11763. Applicant's representative: Thomas F. X. Foley, P.O. Box 1409, 167 Fairfield Road, Fairfield, New Jersey 07006. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *lamps and lamp shades and materials and supplies* used in the manufacture of lamps and lamp shades; between Bayshore, Brentwood and Hauppauge, N.Y., on the one hand, and, on the other, New York, N.Y. and points in New Jersey within the New York, N.Y. Commercial Zone, as defined by the Commission, and Clifton, Irvington, New Brunswick, Passaic, Paterson, Pompton Plains and Somerville, N.J.

NOTE.—If a hearing is deemed necessary, applicant requests that it be held at New York, N.Y.

No. MC 142065 (Sub-No. 6), filed May 2, 1977. Applicant: DAVID BENEUX PRODUCE AND TRUCKING, INC., Post Office Drawer F, Mulberry, Arkansas 72947. Applicant's representative: Don Garrison, 324 North Second Street, Rogers, Arkansas 72756. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Central heating units, central air conditioning units, furnaces, air coolers, water evaporators, condensing units, compressors, electric motors, parts, equipment and supplies*, from Fort Smith, Arkansas, to points in Arizona, California, Nevada, Oregon and Washington, under a continuing contract or contracts with Rheem Manufacturing Company, Heating and Air Conditioning Division, at or near Fort Smith, Arkansas.

NOTE.—Applicant has pending common carrier authority in No. MC 142672 and subs thereunder, therefore dual operations may be involved. If a hearing is deemed necessary, the applicant requests it be held at either Little Rock, Ark. or Tulsa, Okla.

No. MC 142177 (Sub-No. 1), filed May 6, 1977. Applicant: B.W.C.S., INC., 14 Park Avenue, Salem, New Hampshire 03079. Applicant's representative: Frank J. Weiner, 15 Court Square, Boston, Massachusetts 02108. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, household goods as defined by the Commission, commodities in bulk and those commodities requiring special equipment), between points in New Hampshire, Maine, Vermont, Massachusetts and Rhode Island, restricted against

the transportation of any package or article weighing more than 70 pounds or exceeding 108 inches in length and girth combined, and each package or article shall be considered as a separate and distinct shipment, and restricted against transportation of packages or articles weighing in the aggregate more than 150 pounds from one consignor at one location to one consignee at one location on any one date.

NOTE.—If a hearing is deemed necessary, applicant requests that it be held at either Concord, N.H. or Boston Mass.

No. MC 142207 (Sub-No. 9), filed April 29, 1977. Applicant: GULF COAST TRUCK SERVICES, INC., Chef Menteur Highway, P.O. Box 29287, New Orleans, Louisiana 70189. Applicant's representative: Alan E. Serby, Suite 375, 3379 Peachtree Road NE., Atlanta, Georgia 30326. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Lumber, plywood, and teated poles and pilings*, from the plantsites and warehouse facilities of International Paper Company located at or near Wiggins, Miss.; Deridder, La.; and Nacogdoches, Henderson and Navasota, Tex., to points in Louisiana, Arkansas, Texas, Oklahoma, Kansas, Missouri, Illinois, Iowa, Nebraska, New Mexico, Colorado, Wyoming, North Dakota, South Dakota, Minnesota, and Wisconsin.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at New Orleans. Common control may be involved.

Docket No. MC 142207 (Sub-No. 10), filed April 29, 1977. Applicant: GULF COAST TRUCK SERVICES, INC., Chef Menteur Highway, P.O. Box 29287, New Orleans, Louisiana 70189. Applicant's representative: Bruce E. Mitchell, Suite 375, 3379 Peachtree Road, N.E., Atlanta, Georgia 30326. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Composition building boards and parts, materials and accessories* incidental to the installation thereof, from the plantsite and warehouse facilities of National Gypsum, Inc. located at or near Mobile, Ala., to points in Arkansas, Iowa, Kansas, Louisiana, Mississippi, Missouri, Nebraska, Oklahoma and Texas.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at (1) Mobile, Alabama; (2) New Orleans, Louisiana.

No. MC 142610 (Sub-No. 6), filed May 5, 1977. Applicant: ACTION MOTOR EXPRESS, INC., P.O. Box 29102, 8307 Almonaster Avenue, New Orleans, Louisiana 70189. Applicant's representative: Sandra H. Roberson, P.O. Box 29102, New Orleans, Louisiana 70189. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *canned and bottled drinks, can ends, and components*, from the plant site of Coastal Canning Enterprises at Reserve, La., to points in the States of Alabama, Mississippi, Louisiana, Texas, and Florida, and *materials and supplies* used in the manufacture thereof, from points in the

above destination States to the above origin point.

NOTE.—Applicant holds contract carrier authority in No. MC 140421 (Sub-No. 3), therefore dual operations may be involved. If a hearing is deemed necessary, the applicant requests it be held at New Orleans, or Baton Rouge, La.

No. MC 142672 (Sub-No. 3), filed May 2, 1977. Applicant: DAVID BENEUX PRODUCE AND TRUCKING, INC., Post Office Drawer F, Mulberry, Arkansas 72947. Applicant's representative: Don Garrison, 324 North Second Street, Rogers, Arkansas 72756. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Confectionery and Chewing Gum*, from Philadelphia, Pennsylvania, to points in Arizona, California, Nevada and New Mexico.

NOTE.—Applicant has pending contract carrier authority in No. MC 142065 (Sub-Nos. 1 and 3), therefore dual operations may be involved. If a hearing is deemed necessary, the applicant requests it be held at either Philadelphia, Pa. or Little Rock, Ark.

No. MC 142672 (Sub-No. 4), filed May 2, 1977. Applicant: DAVID BENEUX PRODUCE AND TRUCKING, INC., Post Office Drawer F, Mulberry, Arkansas 72947. Applicant's representative: Don Garrison, 324 North Second Street, Rogers, Arkansas 72756. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Confectionery and Chewing Gum*, from Philadelphia, Pennsylvania, to points in Arkansas, Louisiana, Mississippi, Oklahoma, Tennessee and Texas.

NOTE.—Applicant has pending contract carrier authority in No. MC 142065 (Sub-Nos. 1 and 3), therefore dual operations may be involved. If a hearing is deemed necessary, the applicant requests that it be held at Philadelphia, Pa. or Little Rock, Ark.

No. MC 142676 (Sub-No. 1), filed May 4, 1977. Applicant: Donnie D. Moorefield, Drawer G, Shady Spring, West Virginia 25918. Applicant's representative: John M. Friedman, 2930 Putnam Avenue, Hurricane, West Virginia 25526. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Livestock and Poultry Feed*, in bulk, in specialized pneumatic unloading equipment, from Rockwell, Kentucky and Harrisonburg, Virginia to points in West Virginia, under a continuing contract or contracts with Southern States Cooperative, Inc., located at Richmond, Virginia.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at either Charleston, W. Va. or Roanoke, Va.

No. MC 2761 (Sub-No. 1), filed April 22, 1977. Applicant: Gertrudiz Rodriguez, doing business as RODRIGUEZ DELIVERY, 19110 N.W. 42nd Avenue, Miami, Fla. 33178. Applicant's representative: John P. Bond, 2766 Douglas Road, Miami, Fla. 33133. Applicant seeks authority as a *common carrier*, over irregular routes, in the transportation of *General commodities*, (except the transportation of

said commodities in bulk, Class A and B explosives, livestock, household goods, commodities requiring special handling and special equipment and cement; between those points in that part of Dade County, Fla., lying east of Florida Highway 27, south of Florida Highway 826, north of Florida Highway 94 and west of the Atlantic Ocean, restricted to shipments having a prior or subsequent movement by water.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Miami, Fla.

No. MC 142923 (Sub No. 1), filed May 5, 1977. Applicant: FLASH EXPRESS CO., INC., 30 Park Avenue, P.O. Box 281, Englishtown, N.J. 07726. Applicant's representative: Robert B. Pepper, 168 Woodbridge Avenue, Highland Park, N.J. 08904. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting (1) Waste Water Treatment and Pumping Equipment Units, and Materials and Supplies used in connection and installation therewith, (except in bulk), from points in New Jersey to points in the United States east of the Mississippi River, and St. Louis, Mo., and (2) Materials and Supplies used in the manufacturing of waste water treatment and pumping equipment units, (except in bulk), from points in the United States east of the Mississippi River and St. Louis, Mo., to points in New Jersey, under a continuing contract or contracts with Remsco Associates, Englishtown, N.J.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at either Newark, N.J. or New York, N.Y.

No. MC 142937 (Sub No. 2), filed May 6, 1977. Applicant: Darrell A. Carlson, doing business as CARLSON TRUCKING, Route 1, Parkers Prairie, Minnesota 56361. Applicant's representative: James B. Hovland, 414 Gate City Building, P.O. Box 1637, Fargo, North Dakota 58102. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Sprinkling and irrigation systems* and parts and attachments for sprinkling and irrigation systems, from points in Nebraska to points in Minnesota under a continuing contract, or contracts, with Mid-Minnesota Irrigation Supply.

NOTE.—If a hearing is necessary, applicant requests the hearing be held at Omaha, Nebraska or Minneapolis, Minnesota.

No. MC 143029 (Sub-No. 1), filed: May 2, 1977. Applicant: MC-MOR-HAN TRUCKING CO., INC., P.O. Box 368, Shullsburg, Wisconsin 53586. Applicant's representative: Donald B. Levine, 39 South La Salle Street, Chicago, Illinois 60603. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: ore and ore concentrates, mine rock, mine tailings, and mining supplies, between points in Lafayette, Iowa, and Grant Counties, Wisconsin; Dubuque County, Iowa; and Jo Daviess County, Illinois, under a continuing contract or contracts

with Eagle-Picher Industries, Inc., Minerals Division.

NOTE.—Applicant holds common carrier authority in No. MC 136774 and sub numbers thereunder, therefore dual operations may be involved. If a hearing is deemed necessary, applicant requests that it be held at Chicago, Illinois.

No. MC 143071 (Sub No. 1), filed April 28, 1977. Applicant: UNIVERSAL DEVELOPMENT, INC., Box 568, York, Nebraska 68467. Applicant's representative: John E. Jandera, 641 Harrison Street, Topeka, Kansas 66603. Authority sought to operate as a *common carrier* by motor vehicle over irregular routes, transporting *Aluminum coils*, from Lancaster, Penn.; Hannibal, Ohio; Lewisport, Ky.; and Terre Haute, Ind., to the plant and warehouse facilities of Kroy Metal Products located at York, Nebr. Restricted to traffic originating at points of origin and destined to points of destination.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at Omaha, Nebraska.

No. MC 143087 (Sub-No. 1), filed March 31, 1977. Applicant: GOLDEN CIRCLE CARTAGE, INC., 312 South Shannon St., P.O. Box 2183, Jackson, Tenn. 38301. Applicant's representative: Palmer L. Downing (same address as applicant). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Paper scrap and waste for recycling*, (A) from McCrory and Osceola, Ark., Booneville, Southaven, and Tupola, Miss., to the plant site and facilities of the Tennessee River Pulp and Paper Company located at or near Counce, Tenn., and the plant site and facilities of the Packaging Corporation of America located at or near Nashville, Tenn., and (B) between Jackson, Tenn., and the Packaging Corporation of America, located at Nashville, Tenn., and Counce, Tenn., (C) between Jackson, Tenn., and the plant site of the Packaging Corporation of America located at Nashville, Tenn., (D) between the Packaging Corporation of America located at Nashville, Jackson, and Counce, Tenn.; and (E) from Jackson, Tenn., to the plant site of the Tennessee River Pulp & Paper Company located at Counce, Tenn., under a continuing contract or contracts in (A) through (E) above with Packaging Corporation of America.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at either Jackson or Nashville, Tenn.

No. MC 143137, filed April 1, 1977. Applicant: R. F. DEA TRANSPORT, INC., 5318 South 99th Street, Omaha, Nebr. 68127. Applicant's representative: Arlyn L. Westergren, Suite 530 Univac Building, 7100 West Center Road, Omaha, Nebr. 68106. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat by-products, and articles distributed by meat packing houses*, as described in Sections A and C to Appendix I to the report in *Descrip-*

tions in Motor Carrier Certificates, 61 M.C.C. 209 and 766 (except hides and commodities in bulk), from the plantsite of Columbia Foods, Inc., a Division of Iowa Beef Processors located at or near Wallula, Wash., to points in Connecticut, Delaware, Maryland, Massachusetts, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Virginia, West Virginia and the District of Columbia, restricted to traffic originating at the named origins and destined to points in the named destination states.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at Omaha, Nebr.

Docket No. MC 143215, filed May 3, 1977. Applicant: CYCLES LIMITED, P.O. Box 5715, Jackson, Miss. 39208. Applicant's representative: Morton E. Kiel, Suite 6193, 5 World Trade Center, New York, N.Y. 10048. Authority sought as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Floor covering and floor tile, and materials, supplies and equipment used in the installation and maintenance of floor covering and floor tile*, between the plant sites of Armstrong Cork Co., at Lancaster, Pa., and East Hempfield Township, at or near Landisville, Pa., on the one hand, and, on the other, points in California, Nevada and Oregon.

NOTE.—Applicant holds contract carrier authority in MC 135435 and subnumbers thereunder, therefore dual operations may be involved. If a hearing is deemed necessary, applicant requests it be held in San Francisco, Calif.

No. MC 143217, filed April 29, 1977. Applicant: A & W TRUCK SERVICE, INC., an Arkansas corporation, Route 4, West Siloam Springs, Okla. 72761. Applicant's attorney: Tom B. Kretzinger, 910 Brookfield Building, 101 West Eleventh Street, Kansas City, Mo. 64105. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes transporting: *Candy and confectionery*, (1) From Centralia, Illinois to Sulphur Springs, Texas; and (2) from Centralia, Illinois and Sulphur Springs, Texas to points in Arizona, California, Colorado, New Mexico, Nevada, Oklahoma, Oregon, Utah, and Washington under a continuing contract with Hollywood Brands, Division of Consolidated Food Corporation, Centralia, Illinois.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at St. Louis, Mo., or Chicago, Ill.

No. MC 143219, filed April 25, 1977. Applicant: Robert L. Wiggins, doing business as WIGGINS COAL & TRUCKING, Route 1, Tracy City, TN 37387. Applicant's representative: Blaine Buchanan, 1024 James Building, Chattanooga, TN 37402. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Ground or crushed limestone in bulk*, from plant and quarry sites of Cowan Stone Company located in Franklin County, Tenn., and Anderson, Tenn., to points in Alabama, Arkansas, Florida, Georgia, Indi-

ana, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee, under a continuing contract or contracts with Cowan Stone Company, Inc., located at Cowan, Tennessee.

NOTE.—If a hearing is deemed necessary, applicant requests that it be held at Nashville or Chattanooga, Tenn.

No. MC 143220, filed April 28, 1977. Applicant: CONESTOGA TRANSIT, INC., East Earl Street, East Earl, Pa. 17519. Applicant's representative: Alan Kahn, Suite 1920 Two Penn Center Plaza, Philadelphia, Pa. 19102. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Unfinished wood cabinet parts and unfinished wood drawer parts* from the facilities of Conestoga Wood Products, Inc. in East Earl, Lancaster County, Pa., to points in Connecticut, Delaware, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, New Hampshire, Rhode Island, Vermont, Virginia and West Virginia; and *Materials* used in the manufacture of unfinished wood cabinet parts and unfinished wood drawer parts from the above described destination territory to the above described origin points, under a continuing contract or contracts with Conestoga Wood Products, Inc.; and (2) *Lumber and lumber products* from the facilities of Bingaman & Son Lumber Co., Inc., in or near Kreamer, Snyder County, Pa. to the ports of entry on the International Boundary Line, between the United States and Canada, located at New York, under a continuing contract or contracts with Bingaman & Son Lumber Co., Inc.

NOTE.—If a hearing is deemed necessary, applicant requests that it be held at Washington, D.C. or Philadelphia, Pa.

No. MC 143236, filed May 10, 1977. Applicant: WHITE TIGER TRANSPORTATION, INC., 115 Jacobus Ave., Kearny, N.J. 07032. Applicant's representative: George A. Olsen, 69 Tonnele Ave., Jersey City, N.J. 07306. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Boiler compounds, stack corrosion and emission control inhibitor (except in bulk) in temperature controlled vehicles*, from the facilities of Apollo Chemical Co., located at or near Whippany, N.J., to points in California, Florida, Illinois, Indiana, Kansas, Louisiana, Michigan, North Carolina, Oklahoma, South Carolina, Texas, Wisconsin, and West Virginia, restricted to the transportation of shipments originating at the named origin and destined to the named destinations.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at New York, N.Y., or Newark, N.J.

BROKER APPLICATION

No. MC 130448, filed April 22, 1977. Applicant: FOUR SEASONS TRAVEL SERVICE, INC., 136 West Clark Street, Albert Lea, Minnesota 56007. Applicant's representative: Andrew R. Clark, 1000

First National Bank Bldg., Minneapolis, Minnesota 55402. Authority sought to engage in operation, in interstate commerce as a *broker* at Albert Lea and Austin, Minnesota and Forest City, Iowa, to sell or offer to sell the transportation of passengers and baggage in special and charter operations by motor, water and rail in round trip tours beginning and ending at points in Minnesota on and south of Minnesota Highway 19 and points in Iowa on and north of Iowa Highway No. 3 and extending to points in the United States including Alaska.

NOTE.—If a hearing is deemed necessary, applicant requests that it be held at either Albert Lea, or Minneapolis-St. Paul, Minn.

PASSENGER APPLICATION

No. MC 1515 (Sub-No. 223) (partial correction), filed March 16, 1977, published in the FEDERAL REGISTER issue of May 5, 1977, republished as corrected this issue. Applicant: GREYHOUND LINES, INC., Suite 1602, Greyhound Tower, Phoenix, Ariz. 85077. Applicant's representative: W. L. McCracken (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Passengers and their baggage, express and newspapers* in the same vehicle with passengers, (1) between Boston, Mass. and Interchange No. 21A of the New York State Thruway (Interstate Highway 87): From Boston over the Massachusetts Turnpike (Interstate Highway 90) to junction with the New York State Thruway (Berkshire Section), thence over the New York State Thruway (Berkshire Section) to junction with the New York State Thruway (Interstate Highway 87) at Interchange No. 21A and return over the same route serving no intermediate points but serving Interchange Nos. 14, 13, 12, 11, 10, 9, 6, 5, 4, and 2 of the Massachusetts Turnpike and Interchange No. B1 of the New York State Thruway (Berkshire Section), for the purpose of joinder only. **NOTE:** The purpose of this republication is to correct the requested authority in part (1) of this proceeding. The rest of the publication remains the same. Common control may be involved. If a hearing is deemed necessary, the applicant requests it be held at either Boston or Springfield, Mass. or Albany, N.Y.

No. MC 1515 (Sub-No. 224), filed April 22, 1977. Applicant: GREYHOUND LINES, INC., Greyhound Tower, Phoenix, Arizona 85077. Applicant's representative: W. L. McCracken (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *passengers and their baggage and express and newspapers*, in the same vehicle with passengers, (1) between Detroit, Mich. and the junction of Interstate Highway 275 and Interstate Highways 96 and 696 at or near Novi, Mich. serving all intermediate points: From Detroit over New Interstate Highway 96 to junction Interstate Highway 275 in

Plymouth, Mich., thence over Interstate Highway 275 to junction Interstate Highways 96 and 696 and return over the same route; (2) between the junction of Interstate Highway 275 and New Interstate Highway 96 and Monroe, Mich. serving all intermediate points: From the junction of Interstate Highway 275 and New Interstate Highway 96 over Interstate Highway 275 to junction Interstate Highway 75, thence over Interstate Highway 75 to Monroe, Mich. and return over the same route.

NOTE.—Common control may be involved. If a hearing is deemed necessary, the applicant requests it be held at Detroit, Mich.

No. MC 1934 (Sub-No. 39), filed April 29, 1977. Applicant: THE ARROW LINE, INC., 105 Cherry Street, East Hartford, Conn. 06108. Applicant's representative: Frank Daniels, 15 Court Square, Boston, Mass. 02108. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Passengers and their baggage*, in special operations, in round-trip sightseeing and pleasure tours, beginning and ending at points in New Haven and Fairfield Counties, Conn. (except Danbury, Conn.) and extending to points in the United States (excluding Alaska and Hawaii).

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at New Haven, Conn.

Docket No. MC 46879 (Sub-No. 12), filed May 2, 1977. Applicant: Walters Transit Corp., 525 Eleventh Avenue, New York, New York 10018. Applicant's Representative: W. L. McCracken, Esq., 17th Floor, Greyhound Tower, Phoenix, Arizona 85077. Authority sought to operate as a *common carrier*, by motor vehicle in interstate or foreign commerce over irregular routes transporting: *Passengers and their baggage* in special operations beginning and ending in Manhattan and Queens, New York and extending to the New Jersey Sports and Exposition Facilities, East Rutherford, New Jersey.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at New York City, New York. Common control may be involved.

No. MC 107638 (Sub-No. 3), filed April 29, 1977. Applicant: EVERGREEN TRAILS, INC., 1936 Westlake Ave., Seattle, Wash. 98101. Applicant's representative: Elwood Arneson (Same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Passengers and their baggage and express, newspapers and mail*, in the same vehicle with passengers in special or charter operations, from Seattle, Anacortes, Mukilteo, Whidley Island and Fidalgo Island, Wash., (excluding service at Mount Vernon) to Sidney, B. C. Canada through San Juan County, Wash. on the International Boundary line between the United States and Canada.

NOTE.—Common control may be involved. If a hearing is deemed necessary, the applicant requests it be held at Seattle, Wash.

No. MC 143138, filed April 1, 1977. Applicant: BOHREN TRANSIT SYSTEMS, INC., 5130 New Haven Avenue, Fort Wayne, Ind. 46803. Applicant's representative: Donald W. Smith, Suite 2465, One Indiana Square, Indianapolis, Ind. 46204. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: *Passengers, baggage and personal effects*, between points of Consolidated Rail Corporation's right of way located in Indiana, on the one hand, and, on the other, points of Consolidated Rail Corporation's right of way located in Illinois and Ohio, restricted to railroad crew personnel, under a continued contract or contracts with Consolidated Rail Corporation.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at either Chicago, Ill. or Indianapolis, Ind.

No. FF-498, filed April 27, 1977. Applicant: ROBERT DEMORRO, doing business as, CONTRANS, 25 James Street, New Haven, Conn. 06513. Applicant's representative: Anthony J. Fazzone, 416-420 Highland Avenue, Cheshire, Conn. 06410. Authority sought to engage in operation, in interstate commerce, as a freight forwarder, through use of the facilities of common carriers by water and motor vehicle in the transportation of: *General commodities* (except used household goods; unaccompanied baggage; and used automobiles), from points in Connecticut to points located in Port New York, N.Y., as defined in 49 CFR 1070.1(a), and Port New Haven, Port Bridgeport and Port New London, Conn.

NOTE.—Common control may be involved. If a hearing is deemed necessary, the applicant requests it be held at either New Haven, or Hartford, Conn.

FINANCE APPLICATIONS

The following applications seek approval to consolidate, purchase, merge, lease operating rights and properties, or acquire control through ownership of stock, of rail carriers or motor carriers pursuant to Sections 5(2) or 210a(b) of the Interstate Commerce Act.

An original and two copies of protests against the granting of the requested authority must be filed with the Commission within 30 days after the date of this FEDERAL REGISTER notice. Such protest shall comply with Special Rules 240(c) or 240(d) of the Commission's "General Rules of Practice" (49 CFR 1100.240) and shall include a concise statement of protestant's interest in the proceeding. A copy of the protest shall be served concurrently upon applicant's representative, or applicant, if no representative is named.

No. MC-F-12678 (Amendment) (JENKINS TRUCK LINE, INC.—Control—LARRY L. FENNER TRANSPORT, INC.) By notice served April 6, 1977, the Commission adopted the initial decision of the Administrative Law Judge subject to republication in the FEDERAL REGISTER of the directly related application in proceeding No. MC 120298 (Sub-No. 2).

The authority granted in proceeding No. MC 120298 (Sub-No. 2) is as follows: (1) machinery, machinery parts, agricultural implements, and farm machinery and farm tractors, as a common carrier over irregular routes between points in Illinois and (2) iron and steel articles and building materials, except cement, between points within 50 miles of Silvis, Ill.

No. MC-F-12916 (Amendment) (RYDER TRUCK LINES, INC.—Control and Merger—OKLAHOMA BORDER EXPRESS, INC.) published in the August 19, 1976, issue of the FEDERAL REGISTER; by amendment filed March 22, 1977 applicants seek to amend the application by also seeking authority for Ryder Truck Lines, Inc., to acquire control of M&M Freight Lines Inc., and to merge the motor properties of M&M Freight Lines into Ryder Truck Lines, Inc. M&M Freight Lines, Inc., is a wholly owned subsidiary of Oklahoma Border Express, Inc., and operates as a motor common carrier over regular routes transporting general commodities, with exceptions, between Muskogee and McAlester, Okla., and between Muskogee and Gragg, Okla.

No. MC-F-13224. Authority sought for purchase by CONSOLIDATED FREIGHTWAYS CORPORATION OF DELAWARE, 175 Linfield Drive, Menlo, CA., 94025, of a portion of the operating rights of Baggett Transportation Company, 2 South 32nd Street, Birmingham, AL., 35233, and for acquisition by Consolidated Freightways, Inc., 601 California Street, San Francisco, CA., 94108, of control of such rights through the purchase. Applicants' attorneys: R. C. Stetson, 175 Linfield Drive, Menlo Park, CA., 94025, Eugene T. Lilpfer, 1660 L Street, N.W., and Harold G. Hernly, Jr., 118 N. St. Asaph St., Alexandria, VA., 22314. Operating rights sought to be transferred: General commodities, with certain specified exceptions, and numerous other specified commodities, as a common carrier, over regular and irregular routes, from, to, and between specified points in the States of Georgia, Tennessee, Pennsylvania, New Jersey, Florida, Texas, Alabama, New York, Louisiana, Mississippi, North Carolina, South Carolina, and Virginia, with certain restrictions, serving various intermediate and off-route points, over one alternate route for operating convenience only, as more specifically described in Docket No. MC 76177 and Sub numbers thereunder. This notice does not purport to be a complete description of all of the operating rights of the carrier involved. The foregoing summary is believed to be sufficient for purposes of public notice regarding the nature and extent of this carrier's operating rights, without stating, in full, the entirety, thereof. Vendee is authorized to operate as a common carrier in all the States in the United States (except Hawaii). Application has not been filed for temporary authority under section 210a (b).

NOTE.—Baggett Transportation Company will retain the authority to transport Explosives, Classes A, B, and C, and blasting supplies over the same routes as is found in MC 76177 (Sub-No. 308).

No. MC-F-13233. Authority sought for purchase by ARKANSAS BEST FREIGHT SYSTEM, INC., 301 South 11th Street, Ft. Smith, AR., 72901, of a portion of the operating rights of Great Lakes Express Co., 114 Fifth Avenue, New York, N.Y., 10011, and for acquisition by Arkansas Best Corporation, 1000 South 21st Street, Ft. Smith, AR., 72901, of control of such rights through the purchase. Applicants' attorneys: Thomas Harper, 510 North Greenwood Avenue, Ft. Smith, AR., 72902, and Charles F. Rodgers P.O. Box 1409, 167 Fairfield Road, Fairfield, N.J., 07006. Operating rights sought to be transferred: *General commodities*, with exceptions as a common carrier serving the site of the Ford Motor Company plant located at the northeast intersection of Mound Road and 17-mile Road in Sterling Township, Macomb County, Michigan, as an off-route point in connection with carrier's regular route operations to and from Detroit, Michigan. Serving the site of the Ford Motor Company plant located at the intersection of Michigan Highway 218 (Wixom Road) and unnumbered highway (West Lake Drive) north of unnumbered highway (formerly portion U.S. Highway 16), in Novi Township, Oakland County, Michigan, as an off-route point in connection with carrier's regular route operations to and from Detroit, Michigan, and the commercial zone thereof. Serving the site of the Ford Motor Company Plant located near the unincorporated village of Rawsonville, Michigan, at the southwest intersection of Textile and McKean Road, in Washtenaw County, Michigan, as an off-route point in connection with carrier's regular route operations to and from Detroit, Michigan, and the commercial zone thereof. Between Detroit, Mich., and Toledo, Ohio, serving the intermediate or off-route points of Monroe, Mich., and the intermediate or off-route points in Michigan within 10 miles of Detroit: From Detroit over Michigan Highway 85 to junction Interstate Highway 75, thence over Interstate Highway 75 to Toledo, and return over the same route. Between Detroit Mich., and Toledo, Ohio, serving the intermediate or off-route point of Monroe, Mich.: From Detroit over U.S. Highway 25 to Toledo (also from Detroit over U.S. Highway 25 to junction U.S. Highway 24, thence over U.S. Highway 24 to Toledo), and return over the same routes; General commodities, with exceptions as a common carrier over regular routes serving the site of the Kelsey Hayes Company plant located at the intersection of North Line Road and Huron River Drive, Romulus Township, Wayne County, Mich., as an off-route point in connection with carrier's regular route operations to and from Detroit, Mich.; General commodities, with exceptions as a common car-

rier over regular routes serving the plant of the De Bilbiss Company, Van Buren Township, Wayne County, Mich., as an off-route point in connection with carrier's regular route operations to and from Detroit, Mich. Vendee is authorized to operate as a common carrier in all the States in the United States (except Alaska, Hawaii, Idaho, Nevada, Oregon, and Washington). Application has been filed for temporary authority under section 210a(b).

No. MC-F-13234. Authority sought for purchase by Roy Sullivan, dba SULLIVAN TRUCKING CO., P.O. Box 2164, Ponca City, OK. 74601, of the operating rights of Star Enterprises, Inc., Route 2 Monsees Lakes Estates, Sedalia, MO., 65301, and for acquisition by Roy Sullivan, P.O. Box 2164, Ponca City, OK., 74601, of control of such rights through the purchase. Applicants' attorney: G. Timothy Armstrong, 6161 North May Avenue, Oklahoma City, OK., 073112. Operating rights sought to be transferred: Blocktop, lime (except lime from the Kansas City, Mo.-Kansas City, Kans., Commercial Zone as defined by the Commission), sand, crushed rock (filter rock), and gravel, as a common carrier over irregular routes between points in those parts of Kansas, Oklahoma, Arkansas, and Missouri lying on and within the following boundaries: Commencing at junction Kansas Turnpike and the Kansas-Missouri State line, thence west along the Kansas Turnpike to junction U.S. Highway 75, thence south along U.S. Highway 75 to the Kansas-Oklahoma State line, thence west along the Kansas-Oklahoma State line to junction Oklahoma Highway 99, thence south along Oklahoma Highway 99 to junction Oklahoma Highway 11, thence southeast along Oklahoma Highway 11 to junction U.S. Highway 75, thence south along U.S. Highway 75 to junction U.S. Highway 266, thence east along U.S. Highway 266 to junction U.S. Highway 64, thence east along U.S. Highway 64 to Oklahoma-Arkansas State line, thence along the Oklahoma-Arkansas State line to junction Arkansas Highway 22, thence east along Arkansas Highway 22 to junction Arkansas Highway 23, thence north along Arkansas Highway 23 to junction Arkansas Highway 16, thence east along Arkansas Highway to junction Arkansas Highway 7, thence north along Arkansas Highway 7 to junction U.S. Highway 65, thence north along U.S. Highway 65 to junction Interstate Highway 70, thence west along Interstate Highway 70 to point of beginning, excluding from the area described the cities of Carthage and Webb City, Mo. *Barite ore*, (in bulk, in dump vehicles) from points in Benton, Camden, Franklin, Hickory, Jefferson, Miller, Morgan, and Washington (except Potosi, Mo., and points within 10 miles thereof) Counties, Mo., to the plant site of Sherwin Williams Chemicals, a Division of the Sherwin-Williams Company, at or near Coffeyville, Kans. Vendee is authorized to operate as a common carrier in Arkansas, Kansas, Missouri, and Oklahoma. Application has been filed for

temporary authority under section 210a(b).

MISSOURI PACIFIC RAILROAD COMPANY. Missouri Pacific Building, 210 North 13th Street, St. Louis, Missouri 63103, represented by Robt. S. Davis, Commerce Counsel, Missouri Pacific Railroad Company, 2000 Missouri Pacific Building, 210 North 13th Street, St. Louis, Missouri 63103, hereby give notice that on the 24th day of May, 1977, it filed with the Interstate Commerce Commission at Washington, D.C., an application under Section 5(2) of the Interstate Commerce Act for an order approving and authorizing the acquisition of the Missouri Pacific Railroad Company (MoPac) to acquire all of the properties and authorities of the Texas Pacific-Missouri Pacific Terminal Railroad of New Orleans (Terminal Company), which application is assigned Finance Docket No. 28477.

The property to be acquired is 47.11 miles of first mainline track extending from MoPac's Alexandria Subdivision milepost No. 17 in New Orleans, Louisiana, to the end of the track at Gouldsboro, Louisiana, and Race Street, New Orleans, Louisiana, and 109.40 miles of switch and yard tracks operated in conjunction therewith, all located in Orleans and Jefferson Parishes, Louisiana. MoPac owns all the stock of the Terminal Company. Terminal Company is a switching and terminal carrier serving industries on the east and west banks of the Mississippi River in the New Orleans area. Its operations will be continued without change by MoPac.

In the opinion of the applicant, the granting of the authority sought will not constitute a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969. In accordance with the Commission's regulations (49 C.F.R. 1108.8) in Ex Parte No. 55 (Sub-No. 4), Implementation—National Environmental Policy Act, 1969, 352 I.C.C. 451 (1976), any protests may include a statement indicating the presence or absence of any effect of the requested Commission action on the quality of the human environment. If any such effect is alleged to be present, the statement shall indicate with specific data the exact nature and degree of the anticipated impact. See Implementation—National Environmental Policy Act, 1969, *supra*, at p. 487.

Interested persons may participate formally in a proceeding by submitting written comments regarding the application. Such submissions shall indicate the proceeding designation Finance Docket No. 28477 and the original and two copies thereof shall be filed with the Secretary, Interstate Commerce Commission, Washington, D.C. 20423, not later than 45 days after the date of notice of the filing of the application is published in the FEDERAL REGISTER. Such written comments shall include the following: the person's position, e.g., party protestant or party in support, regarding the proposed transaction; specific

reasons why approval would or would not be in the public interest; and a request for oral hearing if one is desired. Additionally, interested persons who do not intend to formally participate in a proceeding but who desire to comment thereon, may file such statements and information as they may desire, subject to the filing and service requirements specified herein. Persons submitting written comments to the Commission shall, at the same time, serve copies of such written comments upon the applicant, the Secretary of Transportation and the Attorney General.

The Missouri Pacific Corporation, a non-carrier holding company, which controls 92.25% of the stock of MoPac joins in the application.

**MISSOURI PACIFIC RAILROAD COMPANY
OPERATING RIGHTS APPLICATION(S) DIRECTLY RELATED TO FINANCE PROCEEDINGS**

The following operating rights application(s) are filed in connection with pending finance applications under Section 5(2) of the Interstate Commerce Act, or seek tacking and/or gateway elimination in connection with transfer applications under Section 212(b) of the Interstate Commerce Act.

An original and two copies of protests to the granting of the authorities must be filed with the Commission within 30 days after the date of this FEDERAL REGISTER notice. Such protests shall comply with Special Rule 247(d) of the Commission's General Rules of Practice (49 CFR 1100.247) and include a concise statement of protestant's interest in the proceeding and copies of its conflicting authorities. Verified statements in opposition should not be tendered at this time. A copy of the protest shall be served concurrently upon applicant's representative, or applicant if no representative is named.

Each applicant states that there will be no significant effect on the quality of the human environment resulting from approval of its application.

No. MC 3753 (Sub-No. 17), filed May 18, 1977. Applicant: AAA TRUCKING CORPORATION, 3630 Quaker Bridge Road, Mercerville, N.J. 08619. Applicant's representative: Herbert Burstein, Esq., One World Trade Center, Suite 2373, New York, N.Y. 10048. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes transporting: *General commodities* (except those of unusual value, Classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment). Between points in MA; CT; RI; New York, NY; NJ; points in Nassau, Suffolk, Orange, Rockland, Westchester Counties, NY; NJ; points in PA on and east of the Susquehanna River from PA-MD State Line to junction U.S. Highway 11 at Pittston PA, thence on and east of U.S. Highway 11 to Scranton, PA, and thence on west and south of U.S. High-

way 611 from Scranton, PA to the PA-NJ State Line; points in that part of DE on and north of a line beginning at the MD-DE State Line and extending along U.S. Highway 40 to Junction DE Highway 273 to the Delaware River, on the one hand, and, on the other, points in MD and Washington, D.C. The purpose of the instant application is to eliminate the following gateways: (1) Points in Pennsylvania within 15 miles of Allentown, Pennsylvania, including Allentown. (2) Points in the Townships of Upper Mount Bethel, Lower Mount Bethel, Washington, Plainfield, Forks (Northampton County), Pennsylvania. (3) Points in the Townships of East Rockhill, West Rockhill and Hilltown (Bucks County), Pennsylvania. (4) Points in the Townships of Franconia, Hatfield, Montgomery and Upper Gwynedd (Montgomery County), Pennsylvania. (5) Points in New Jersey, within ten (10) miles of Phillipsburg, New Jersey, including Phillipsburg, New Jersey. (6) Baltimore, Maryland. (7) Wilmington, Delaware.

NOTE.—Applicant holds operating authority in No. 3753 and Sub-Numbers thereunder. If a hearing is deemed necessary, applicant requests that it be held at Washington, D.C. or New York, N.Y. This application is filed as a matter directly related to a purchase (portion) proceeding docketed at MC-F-13213 which was notice in the FEDERAL REGISTER issue of May 12, 1977.

No. MC 96938 (Sub-No. 1), filed May 30, 1977. Applicant: ARKANSAS TRANSIT HOMES, INC., 8400 Mabelvale Pike, Little Rock, Arkansas 72209. Applicant's representative: Harold G. Hernal, Jr., 118 North St. Asaph Street, Alexandria, Virginia 22314. Authority sought to operate as a common carrier by motor vehicle, over irregular routes, transporting: Trailers, designed to be drawn by passenger automobiles (except recreational vehicles) in secondary movement, in truckaway service; and Buildings, in sections, mounted on wheeled undercarriages (except prefabricated buildings), in truckaway service; (1) Between Texas, Louisiana, and Oklahoma, on the one hand, and, on the other, points in Arkansas; and (2) From points in Mississippi to points in Arkansas.

NOTE.—(a) This application is directly related to No. MC-FC-77045; (b) is being filed pursuant to the Commission Policy Statement of December 4, 1974, regarding Ex Parte 55 (Sub-No. 8); (c) the application seeks to eliminate applicant's present gateway of Texarkana, Ark., on movements between the affected points; and (d) if a hearing is deemed necessary, applicant requests that it be held at Little Rock, Arkansas or Dallas, Texas. Notice of the transfer application filing in MC-FC-77045 appeared in the FEDERAL REGISTER issue of May 5, 1977.

No. MC 99680 (Sub-No. 4) (Partial correction), filed January 26, 1977, published in the FEDERAL REGISTER issue of April 7, 1977, and republished, in part, as corrected, this issue. Applicant: NORTH SHORE & CENTRAL ILLINOIS FREIGHT CO., a Corporation, 7701 West

95th Street, Hickory Hills, Ill. 60457. Applicant's representative: James C. Hardman, 33 North LaSalle Street, Chicago, Ill. 60602. The purpose of this partial republishing is to indicate in part (26) of the previous published application where it reads "Between Rockford, Ill. and Cairo: . . . after 'Champaign' it should read thence over Interstate Highway 57 to Cairo . . ." in lieu of "Highway 37" as was previously published. The rest of the publication remains as previously published.

No. MC 125777 (Sub-No. 190), filed May 23, 1977. Applicant: JACK GRAY TRANSPORT, INC., 4600 East 15th Avenue, Gary, Indiana 46403. Applicant's representative: Carl L. Steiner, 39 South La Salle Street, Chicago, Illinois 60603. Authority sought to operate as a common carrier, by motor vehicle, over regular and irregular routes, transporting: (1) Regular route—Sulphur, From Fairport Harbor, Ohio to Erie, Pennsylvania, serving no intermediate points: From Fairport Harbor over Ohio Highway 44 to Painesville, Ohio, and thence over U.S. Highway 20 to Erie, and return over the same route, with no transportation for compensation except as otherwise authorized.

(2) Irregular routes—Coke, in bulk, and pig iron, from Erie, Pennsylvania, to points in West Virginia and points in that part of Ohio on and west of U.S. Highway 23, with no transportation for compensation on return except as otherwise authorized. Restricted to traffic originating at the plant site of Koppers Company, Inc. located at Erie, Pennsylvania. Pig iron, from Toledo, Ohio, to points in those parts of Pennsylvania and New York which are on and west of U.S. Highway 11, with no transportation for compensation on return except as otherwise authorized. Restricted to traffic originating at the plant site of Interlake, Inc., located at Toledo, Ohio. Coke and Pig iron, in dump trucks, from Erie, Pennsylvania, to points in that part of Ohio on and east of U.S. Highway 23, that part of Pennsylvania on and west of U.S. Highway 11, and that part of New York on and west of U.S. Highway 11, with no transportation for compensation on return except as otherwise authorized. Restricted to traffic originating at the plant site of Koppers Company, Inc. located at Erie, Pennsylvania.

Pig iron and coke, from Erie, Pennsylvania, to points in Chenango, Herkimer, and Oneida Counties, New York, with no transportation for compensation on return except as otherwise authorized. Restricted to traffic originating at the plant site of Koppers Company, Inc. located at Erie, Pennsylvania. Salt, in bulk, in dump or hopper trucks, from Fairport Harbor, Ohio, to points in Crawford, Erie, McKean, Mercer, Potter, Venango, and Warren Counties, Pennsylvania; with no transportation for compensation on return except as otherwise authorized. Coke, in bulk, in dump vehicles, from Fairport Harbor, Ohio to Erie, Franklin, Greenville, Grove City,

New Castle, Oil City, and Monaca, Pennsylvania, with no transportation for compensation on return except as otherwise authorized.

NOTE.—This application is directly related to an application under Section 5 of the Act, wherein Jack Gray Transport, Inc. seeks authority to acquire the interstate Permit issued to McFeely Trucking, Inc. in Docket MC 2488. By this application Jack Gray Transport, Inc. seeks to convert the Permit of McFeely Trucking, Inc., to a Certificate of Public Convenience and Necessity. If a hearing is deemed necessary, applicant requests that it be held at Washington, D.C. or Pittsburgh, Pennsylvania. Notice of the finance application docketed at MC-F-13232 appeared in the FEDERAL REGISTER issue of either June 2 or 3, 1977.

ABANDONMENT APPLICATIONS

NOTICE OF FINDINGS

Notice is hereby given pursuant to Section 1a(6) (a) of the Interstate Commerce Act that orders have been entered in the following abandonment applications which are administratively final and which found that subject to conditions the present and future public convenience and necessity permit abandonment.

A Certificate of Abandonment will be issued to the applicant carriers 30 days after this FEDERAL REGISTER publication unless the instructions set forth in the notices are followed.

[Docket No. AB-12 (Sub-No. 32)]

SOUTHERN PACIFIC TRANSPORTATION COMPANY ABANDONMENT OF ITS GLOBE BRANCH NEAR MIAMI IN GILA COUNTY, ARIZONA

NOTICE OF FINDINGS

Notice is hereby given pursuant to Section 1a(6) (a) of the Interstate Commerce Act (49 U.S.C. 1a(6) (a)) that by an order entered on April 18, 1977, a finding, which is administratively final, was made by the Commission, Commissioner Brown, stating that, subject to the conditions for the protection of railway employees prescribed by the Commission in *Chicago, B. & Q. R. Co., Abandonment*, 257 I.C.C. 700, and for public use as set forth in said order, the present and future public convenience and necessity permit the abandonment by the Southern Pacific Transportation Company of its line of railroad extending from railroad milepost 1232.57 beyond Miami in a northwesterly direction to the end of the branch at railroad milepost 1232.98, a distance of 0.41 miles in Gila County, Arizona. A certificate of abandonment will be issued to the Southern Pacific Transportation Company based on the above-described finding of abandonment, 30 days after publication of this notice, unless within 30 days from the date of publication, the Commission further finds that:

(1) A financially responsible person (including a government entity) has offered financial assistance (in the form of a rail service continuation payment) to enable the rail service involved to be continued; and

(2) It is likely that such proffered assistance would:

(a) Cover the difference between the revenues which are attributable to such line of railroad and the avoidable cost of providing rail freight service on such line, together with a reasonable return on the value of such line, or

(b) Cover the acquisition cost of all or any portion of such line of railroad.

If the Commission so finds, the issuance of a certificate of abandonment will be postponed for such reasonable time, not to exceed 6 months, as is necessary to enable such person or entity to enter into a binding agreement, with the carrier seeking such abandonment, to provide such assistance or to purchase such line and to provide for the continued operation of rail services over such line. Upon notification to the Commission of the execution of such an assistance or acquisition and operating agreement, the Commission shall postpone the issuance of such a certificate for such period of time as such an agreement (including any extensions or modifications) is in effect. Information and procedures regarding the financial assistance for continued rail service or the acquisition of the involved rail line are contained in the Notice of the Commission entitled "Procedures for Pending Rail Abandonment Cases" published in the FEDERAL REGISTER on March 31, 1976, at 41 FR 13691. All interested persons are advised to follow the instructions contained therein as well as the instructions contained in the above-referenced order.

[Docket No. AB-37 (Sub-No. 7)]

OREGON-WASHINGTON RAILROAD & NAVIGATION COMPANY AND UNION PACIFIC RAILROAD COMPANY—ABANDONMENT—BETWEEN FISH LAKE AND MONROE STREET IN SPOKANE COUNTY, WASHINGTON

NOTICE OF FINDINGS

Notice is hereby given pursuant to Section 1a of the Interstate Commerce Act (49 U.S.C. 1a) that by a Certificate and Order dated May 18, 1977, a finding, which is administratively final, was made by the Commission, Commissioner Brown, stating that, subject to the conditions for the protection of railway employees prescribed by the Commission in *New Orleans Union Passenger Terminal Case*, 232 I.C.C. 271, and those provided pursuant to Section 405 of the Rail Passenger Service Act (45 USC 565), the present and future public convenience and necessity permit the abandonment of applicants' line from milepost 354.71 near Fish Lake, Washington, to milepost 367.19 near the east line of Monroe Street in Spokane, Washington, a total distance of approximately 12.48 miles, including a short portion of double main line track which extends from approximately milepost 365.90 to milepost 366.92. A certificate of public convenience and necessity permitting abandonment was issued to the Oregon-Washington Railroad & Navigation Company and Union Pacific Railroad Company. Since no investigation was instituted, requirement of Section

1121.38(a) of the Regulations that publication of notice of abandonment decisions in the FEDERAL REGISTER be made only after such a decision becomes administratively final was waived.

Upon receipt by the carrier of an actual offer of financial assistance, carrier shall make available to the offeror the records, accounts, appraisals, working papers, and other documents used in preparing Exhibit I (section 1121.45 of the Regulations). Such documents shall be made available during regular business hours at a time and place mutually agreeable to the parties.

The offer must be filed and served no later than 15 days after publication of this Notice. The offer, as filed, shall contain information required pursuant to Section 1121.38(b) (2) and (3) of the Regulations. If no such offer is received, the certificate of public convenience and necessity authorizing abandonment shall become effective 30 days from the date of this publication.

[Docket No. AB-69 (Sub-No. 2)]

WESTERN MARYLAND RAILWAY COMPANY ABANDONMENT ALLEGANY COUNTY (NEAR CUMBERLAND), MARYLAND AND BEDFORD COUNTY, PENNSYLVANIA

NOTICE OF FINDINGS

Notice is hereby given pursuant to Section 1a(6)(a) of the Interstate Commerce Act (49 U.S.C. 1a(6)(a)) that by an order entered on April 1, 1977, a finding, which is administratively final, was made by the Commission, Review Board Number 5, stating that, subject to the conditions for the protection of railway employees prescribed by the Commission in *Chicago, B. & Q. R. Co., Abandonment*, 257 I.C.C. 700, and the applicable provisions of section 405 of the Rail Passenger Service Act, the present and future public convenience and necessity permit the abandonment by the Western Maryland Railway Company of a line of railroad beginning at Valuation Station 0+00 at or near Cumberland in Allegany County, Maryland, and extending in a northerly direction to Valuation Station 238+63 near the Maryland-Pennsylvania State Line in Bedford County, Pennsylvania, a distance of 4.52 miles. A certificate of abandonment will be issued to the Western Maryland Railway Company based on the above-described finding of abandonment, 30 days after publication of this notice, unless within 30 days from the date of publication, the Commission further finds that:

(1) A financially responsible person (including a government entity) has offered financial assistance (in the form of a rail service continuation payment) to enable the rail service involved to be continued; and

(2) It is likely that such proffered assistance would:

(a) Cover the difference between the revenues which are attributable to such line of railroad and the avoidable cost of providing rail freight service on such line, together with a reasonable return on the value of such line, or

(b) Cover the acquisition cost of all or any portion of such line of railroad.

If the Commission so finds, the issuance of a certificate of abandonment will be postponed for such reasonable time, not to exceed 6 months, as is necessary to enable such person or entity to enter into a binding agreement, with the carrier seeking such abandonment, to provide such assistance or to purchase such line and to provide for the continued operation of rail services over such line. Upon notification to the Commission of the execution of such an assistance or acquisition and operating agreement, the Commission shall postpone the issuance of such a certificate for such period of time as such an agreement (including any extensions or modifications) is in effect. Information and procedures regarding the financial assistance for continued rail service or the acquisition of the involved rail line are contained in the Notice of the Commission entitled "Procedures for Pending Rail Abandonment Cases" published in the FEDERAL REGISTER on March 31, 1976, at 41 FR 13691. All interested persons are advised to follow the instructions contained therein as well as the instructions contained in the above-referenced order.

[Docket No. AB-142]

NEW ORLEANS AND LOWER COAST RAILROAD COMPANY ABANDONMENT OF LINE OF RAILROAD KNOWN AS "SOUTH END" BETWEEN PORT SULPHUR AND EMPIRE, IN PLAQUEMINES PARISH, LOUISIANA

NOTICE OF FINDINGS

Notice is hereby given pursuant to Section 1a(6)(a) of the Interstate Commerce Act (49 U.S.C. 1a(6)(a)) that by an order entered on May 16, 1977, a finding, which is administratively final, was made by the Commission, Division 3, stating that, subject to the conditions for the protection of railway employees prescribed by the Commission in *New Orleans Union Passenger Terminal Case*, 232 I.C.C. 271, and those provided pursuant to Section 405 of the Rail Passenger Service Act (45 U.S.C. 565), and for public use as set forth in said order, the present and future public convenience and necessity permit the abandonment by the New Orleans and Lower Coast Railroad Company of its line of railroad extending from milepost 35.0 near Port Sulphur, Louisiana, southeasterly to milepost 56.2 near Empire, Louisiana, a distance of 21.2 miles in Plaquemines Parish, Louisiana. A certificate of abandonment will be issued to the New Orleans and Lower Coast Railroad Company based on the above-described finding of abandonment, 30 days after publication of this notice, unless within 30 days from the date of publication, the Commission further finds that:

(1) A financially responsible person (including a government entity) has offered financial assistance (in the form of a rail service continuation payment) to enable the rail service involved to be continued; and

(2) It is likely that such proffered assistance would:

(a) Cover the difference between the revenues which are attributable to such line of railroad and the avoidable cost of providing rail freight service on such line, together with a reasonable return on the value of such line, or

(b) Cover the acquisition cost of all or any portion of such line of railroad.

If the Commission so finds, the issuance of a certificate of abandonment will be postponed for such reasonable time, not to exceed 6 months, as is necessary to enable such person or entity to enter into a binding agreement, with the carrier seeking such abandonment, to provide such assistance or to purchase such line and to provide for the continued operation of rail services over such line. Upon notification to the Commission of the execution of such an assistance or acquisition and operating agreement, the Commission shall postpone the issuance of such a certificate for such period of time as such an agreement (including any extensions or modifications) is in effect. Information and procedures regarding the financial assistance for continued rail service or the acquisition of the involved rail line are contained in the Notice of the Commission entitled "Procedures for Pending Rail Abandonment Cases" published in the FEDERAL REGISTER on March 31, 1976, at 41 FR 13691. All interested persons are advised to follow the instructions contained therein as well as the instructions contained in the above-referenced order.

MOTOR CARRIER ALTERNATE ROUTE DEVIATIONS

The following letter-notices to operate over deviation routes for operating convenience only have been filed with the Commission under the Deviation Rules—Motor Carrier of Property (49 CFR 1042.4(c) (11)).

Protests against the use of any proposed deviation route herein described may be filed with the Commission in the manner and form provided in such rules at any time, but will not operate to stay commencement of the proposed operations unless filed within 30 days from the date of this Federal Register notice.

Each applicant states that there will be no significant effect on the quality of the human environment resulting from approval of its request.

MOTOR CARRIERS OF PROPERTY

No. MC 19311 (Deviation No. 1), CENTRAL TRANSPORT, INC., 34200 Mound Rd., Sterling Heights, Mich. 48077, filed May 19, 1977. Carrier proposes to operate as a common carrier, by motor vehicle, of general commodities, with certain exceptions, over deviation routes as follows: (1) From junction Interstate Highway 94 and U.S. Highway 41 over U.S. Highway 41 to junction Indiana Highway 10, thence over Indiana Highway 10 to the Indiana-Illinois State line, thence over Illinois Highway 114 to junction Illinois Highway 1, (2) From junction Interstate Highway 94 and U.S. Highway 41 over U.S. Highway 41 to junction U.S. Highway 24, thence over U.S. Highway 24

to junction Illinois Highway 1, (3) From junction Interstate Highway 94 and U.S. Highway 41 over U.S. Highway 41 to junction Indiana Highway 26, thence over Indiana Highway 26 to the Indiana-Illinois State line, thence over Illinois Highway 9 to junction Illinois Highway 1, (4) From junction Interstate Highway 94 and U.S. Highway 41 over U.S. Highway 41 to junction Indiana Highway 63, thence over Indiana Highway 63 to junction Interstate Highway 74, thence over Interstate Highway 74 to junction Illinois Highway 1, (5) From junction Interstate Highway 94 and U.S. Highway 41, over U.S. Highway 41 to junction Indiana Highway 63, thence over Indiana Highway 63 to junction Indiana Highway 71, thence over Indiana Highway 71 to junction U.S. Highway 36, thence over U.S. Highway 36 to junction Illinois Highway 1, (6) From junction Interstate Highway 94 and U.S. Highway 41 over U.S. Highway 41 to junction Indiana Highway 63, thence over Indiana Highway 63 to junction Indiana Highway 71, thence over Indiana Highway 71 to junction Indiana Highway 163, thence over Indiana Highway 163 to the Indiana-Illinois State line, thence over Illinois Highway 16 to junction Illinois Highway 1.

(7) From junction Interstate Highway 94 and U.S. Highway 421 over U.S. Highway 421 to junction U.S. Highway 24, thence over U.S. Highway 24 to junction Illinois Highway 1, (8) From junction Interstate Highway 94 and U.S. Highway 421 over U.S. Highway 421 to junction Indiana Highway 43, thence over Indiana Highway 43 to junction U.S. Highway 231, thence over U.S. Highway 231 to junction Interstate Highway 74, thence over Interstate Highway 74 to junction Illinois Highway 1, (9) From junction U.S. Highway 20 and U.S. Highway 31 over U.S. Highway 31 to junction Indiana Highway 25, thence over Indiana Highway 25 to junction U.S. Highway 231, thence over U.S. Highway 231 to junction Interstate Highway 74, thence over Interstate Highway 74 to junction Illinois Highway 1, (10) From junction Interstate Highway 94 and Interstate Highway 69 over Interstate Highway 69 to junction U.S. Highway 24, thence over U.S. Highway 24 to junction Illinois Highway 1, (11) From junction Interstate Highway 94 and Interstate Highway 69 over Interstate Highway 69 to junction U.S. Highway 24, thence over U.S. Highway 24 to junction Indiana Highway 25, thence over Indiana Highway 25 to junction U.S. Highway 231, thence over U.S. Highway 231 to junction Interstate Highway 74, thence over Interstate Highway 74 to junction Illinois Highway 1, (12) From junction Interstate Highway 94 and Interstate Highway 69 to junction U.S. Highway 36, thence over U.S. Highway 36 to junction Illinois Highway 1, (13) From junction Interstate Highway 94 and Interstate Highway 69 over Interstate Highway 69 to junction Interstate Highway 70, thence over Interstate Highway 70 to junction U.S. Highway 150, thence over

U.S. Highway 150 to Paris, Ill., and (14) From junction Interstate Highway 94 and Interstate Highway 69 over Interstate Highway 69 to junction Interstate Highway 70, thence over Interstate Highway 70 to junction Illinois Highway 1, thence over Illinois Highway 1 to Paris, Ill., and return over the same routes for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities over pertinent services routes as follows: (1) From Paris, Ill., over Illinois Highway 1 to junction Illinois Highway 17, (2) From junction Illinois Highways 1 and 17 over Illinois Highway 1 to junction Interstate Highway 94, and (3) From junction Illinois Highway 1 and Interstate Highway 94 over Interstate Highway 94 to junction U.S. Highway 20 and U.S. Highway 31, and return over the same routes.

No. MC 11220 (Deviation No. 32), GORDON TRANSPORTS, INC., 185 W. McLemore Ave., Memphis, Tenn. 38101, filed May 25, 1977. Carrier proposes to operate as a common carrier, by motor vehicle, of general commodities, with certain exceptions, over a deviation route as follows: From Bolivar, Tenn., over Tennessee Highway 18 to junction U.S. Highway 45, thence over U.S. Highway 45 to junction Bypass U.S. Highway 45, thence over Bypass U.S. Highway 45 to junction Interstate Highway 40, thence over Interstate Highway 40 to Nashville, Tenn., and return over the same route for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities over a pertinent service route as follows: From Bolivar, Tenn., over U.S. Highway 84 to Pulaski, Tenn., thence over U.S. Highway 31 to Decatur, Ala., thence over Interstate Highway 65 to Nashville, Tenn., and return over the same route.

No. MC 29555 (Deviation No. 17), BRIGGS TRANSPORTATION CO., North 400, Griggs-Midway Bldg., St. Paul, Minn. 55104, filed May 19, 1977. Carrier proposes to operate as a common carrier, by motor vehicle, of general commodities, with certain exceptions, over a deviation route as follows: From junction U.S. Highway 71 and U.S. Highway 36 over U.S. Highway 36 to junction U.S. Highway 75, thence over U.S. Highway 75 to junction Nebraska Highway 2, thence over Nebraska Highway 2 to junction U.S. Highway 6 and return over the same route for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities over a pertinent service route as follows: From junction U.S. Highway 71 and U.S. Highway 36 over U.S. Highway 71 to junction Iowa Highway 2, thence over Iowa Highway 2 to junction U.S. Highway 275, thence over U.S. Highway 275 to Omaha, Nebr., thence over U.S. Highway 6 to junction Nebraska Highway 2, and return over the same route.

No. MC 58923 (Deviation No. 2), **GEORGIA HIGHWAY EXPRESS, INC.**, 2090 Jonesboro Rd. SE., Atlanta, Ga. 30315, filed May 24, 1977. Carrier proposes to operate as a common carrier, by motor vehicle, of general commodities, with certain exceptions, over deviation routes as follows: (1) From Ludowici, Ga., over U.S. Highway 82 to junction U.S. Highway 84, thence over U.S. Highway 84 to Thomasville, Ga., (2) from Cordele, Ga., over Georgia Highway 257 to Albany, Ga., and (3) from Ludowici, Ga., over U.S. Highway 82 to Albany, Ga., and return over the same routes for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities over a pertinent service route as follows: From Ludowici, Ga., over U.S. Highway 25 to Glennville, Ga., thence over Georgia Highway 23 to junction Georgia Highway 30, thence over Georgia Highway 30 to Helena, Ga., thence over U.S. Highway 280 to Americus, Ga., thence over U.S. Highway 19 to Thomasville, Ga., and return over the same route.

MOTOR CARRIER ALTERNATE ROUTE DEVIATIONS

The following letter-notices to operate over deviation routes for operating convenience only have been filed with the Commission under the Deviation Rules—Motor Carrier of Passengers (49 CFR 1042.2(c)(9)).

Protests against the use of any proposed deviation route herein described may be filed with the Commission in the manner and form provided in such rules at any time, but will not operate to stay commencement of the proposed operations unless filed within 30 days from the date of this FEDERAL REGISTER notice.

Each applicant states that there will be no significant effect on the quality of the human environment resulting from approval of its request.

MOTOR CARRIERS OF PASSENGERS

No. MC 45626 (Deviation No. 37), **VERMONT TRANSIT CO., INC.**, 135 St. Paul St., Burlington, Vt. 05401, filed May 10, 1977. Carrier proposes to operate as a common carrier, by motor vehicle, of passengers and their baggage, and express and newspapers in the same vehicle with passengers, over a deviation route as follows: From Fryeburg, Maine, over Maine Highway 5 to junction Maine Highway 25 at Cornish, Maine, thence over Maine Highway 25 to junction Maine Highway 114 at Gorham, Maine, thence over Maine Highway 114 to junction U.S. Highway 1 at Scarborough, Maine, and return over the same route for operating convenience only. The notice indicates that the carrier is presently authorized to transport passengers and the same property over a pertinent service route as follows: From junction U.S. Highway 2 and U.S. Highway 302 over U.S. Highway 302 via Naples, Maine, to Portland, Maine, thence over U.S. Highway 1 to Scarborough, Maine, and return over the same route. Restriction: The above-described route shall be used in

connection with the operation of busses which either originate at, or are destined to, a point west of the New Hampshire-Vermont State line.

No. MC 74761 (Deviation No. 7), **TAMiami TRAIL TOURS, INC.**, 525 Madison St., Tampa, Fla. 33602, filed May 26, 1977. Carrier proposes to operate as a common carrier, by motor vehicle, of passengers and their baggage, and express and newspapers in the same vehicle with passengers, over a deviation route as follows: From Ft. Lauderdale, Fla., over Interstate Highway 95 to West Palm Beach, Fla., and return over the same route for operating convenience only. The notice indicates that the carrier is presently authorized to transport passengers and the same property over a pertinent service route as follows: From Ft. Lauderdale, Fla., over Florida Highway 811 to Deerfield Beach, Fla., thence over Florida Highway 810 to junction U.S. Highway 1, thence over U.S. Highway 1 to Boca Raton, Fla., thence over unnumbered highway via Florida Atlantic University to junction Florida Highway 809 thence over Florida Highway 809 to junction U.S. Highway 98, thence over U.S. Highway 98 to West Palm Beach, Fla., and return over the same route.

No. MC 74761 (Deviation No. 8), **TAMiami TRAIL TOURS, INC.**, 525 Madison Street, Tampa, Fla. 33602, filed May 26, 1977. Carrier proposes to operate as a common carrier, by motor vehicle, of passengers and their baggage, and express and newspapers in the same vehicle with passengers, over a deviation route as follows: From Macon, Ga., over Interstate Highway 75 to junction Georgia Highway 257, thence over Georgia Highway 257 to Albany, Ga., and return over the same route for operating convenience only. The notice indicates that the carrier is presently authorized to transport passengers and the same property over a pertinent service route as follows: From Macon, Ga., over U.S. Highway 41 to Echeconnee, Ga., thence over Georgia Highway 49 to Americus, Ga., thence over U.S. Highway 19 to Albany, Ga., and return over the same route.

MOTOR CARRIER INTRASTATE APPLICATION(S)

The following application(s) for motor common carrier authority to operate in intrastate commerce seek concurrent motor carrier authorization in interstate or foreign commerce within the limits of the intrastate authority sought, pursuant to Section 206(a)(6) of the Interstate Commerce Act. These applications are governed by Special Rule 245 of the Commission's General Rules of Practice (49 CFR 1100.245), which provides, among other things, that protests and requests for information concerning the time and place of State Commission hearings or other proceedings, any subsequent changes therein, and any other related matters shall be directed to the State Commission with which the ap-

plication is filed and shall not be addressed to or filed with the Interstate Commerce Commission.

Arkansas Docket No. M-10283, filed May 6, 1977. Applicant: **SHERIDAN TRUCK LINE, INC.**, Route 2, Box 416, Sheridan, Ark. 72150. Applicant's representative: Louis Tarlowski, 914 Pyramid Life Bldg., Little Rock, Ark. 72201. Certificate of Public Convenience and Necessity sought to operate a freight service as follows: Transportation of General commodities (except Classes A and B explosives, household goods, commodities in bulk and commodities requiring special equipment), (1) between Sheridan, and El Dorado, Ark. over U.S. Highway 167 serving all intermediate points, (2) between the junction of U.S. Highway 167 and Arkansas Highway 335 and the junction of Arkansas Highways 335 and Highway 7 over Arkansas Highway 335 serving all intermediate points, (3) between Camden and El Dorado, Ark. over Arkansas Highway 7 serving all intermediate points, (4) between Camden and Fordyce, Ark. over U.S. Highways 79 and 79B serving all intermediate points, (5) from the junction of U.S. Highway 79 with Arkansas Highway 274 over Arkansas Highway 274 to East Camden and return, serving all intermediate points, (6) between the junction of Arkansas Highway 274 with Arkansas Highway 4 and Hampton, Ark. over Arkansas Highway 4 as an alternate route for operating convenience only, serving no intermediate points, (7) between the junction of U.S. Highway 79 with Arkansas Highway 9 and Princeton, Ark. over Arkansas Highway 9 serving all intermediate points.

(8) Between the junction of Arkansas Highway 9 with Arkansas Highway 8 and the junction of Arkansas Highway 8 with U.S. Highway 79 over Arkansas Highway 8 as an alternate route for operating convenience only, serving no intermediate points, (9) between the junction of Arkansas Highway 9 with Arkansas Highway 128 and Sparkman, Ark. over Arkansas Highway 128 serving all intermediate points, (10) between Sheridan and Leola, Ark. over Arkansas Highway 46 as an alternate route for operating convenience only, serving no intermediate points, (11) between the junction of U.S. Highway 167 with Arkansas Highway 48 and Carthage, Ark. over Arkansas Highway 48 as an alternate route for operating convenience only, serving no intermediate points, (12) between the junction of Arkansas Highway 46 with Arkansas Highway 229 and the junction of Arkansas Highway 48 with Arkansas Highway 229 over Arkansas Highway 229 as an alternate route for operating convenience only, serving no intermediate points; and (13) from El Dorado, Ark. South over U.S. Highway 167 to the off-route plant site of Michigan Chemical Company near El Dorado, Ark. and return over the same route, serving all intermediate points. Note.—Applicant proposes to tack requested routes at all points of joinder. Intrastate, interstate

and foreign commerce authority sought. Hearing, date, time and place scheduled for Tuesday July 12, 1977, at 10 a.m., at its offices in the Justice Building, Arkansas Transportation Commission, Hearing Room, Little Rock, Ark. Requests for procedural information should be addressed to the Arkansas Transportation Commission, Justice Building, Little Rock, Ark. 72201 and should not be directed to the Interstate Commerce Commission.

Iowa Docket No. MA-A-77-12, filed May 2, 1977. Applicant: B & F TRANSPORT, INC., 1506 10th S.E., Cedar Rapids, Iowa 52401. Applicant's representative: Antonio Colacino, 1100 Des Moines Building, Des Moines, Iowa 50309. Certificate of Public Convenience and Necessity sought to operate a freight service as follows: Transportation of Freight, (a) between Ely, Solon, Lisbon, Mechanicsville, Stanwood, Clarence, Lowden, Wheatland, Calamus, and Grand Mound, Iowa, restricted to freight originating at one of the points above named and destined to another of said points, (b) from Cedar Rapids to Ely, Solon, Lisbon, Mechanicsville, Stanwood, Clarence, Lowden, Wheatland, Calamus and Grand Mound, restricted to freight originating at or interlined at Cedar Rapids and destined to or interlined to another carrier at the named destination points, (c) from Ely, Solon, Lisbon, Mechanicsville, Stanwood, Clarence, Lowden, Wheatland, Calamus and Grand Mound, Iowa, to Cedar Rapids, Iowa, restricted to freight originating at or interlined at one of the origin points and destined to or interlined to another carrier at Cedar Rapids; and between Hale, and Prairieburg, Iowa and those points the applicant is authorized to serve under Certificate No. 180 and Certificate of Registration No. MC-99504. Intrastate, interstate and foreign commerce authority sought. Hearing: Date, time and place not yet fixed. Requests for procedural information should be addressed to the Iowa State Commerce Commission, State Capitol, Des Moines, Iowa 50319 and should not be directed to the Interstate Commerce Commission.

Maine Docket No. X-71, filed May 9, 1977. Applicant: DUGAS EXPRESS CO., 101 Knox Street, Lewiston, Maine 04240. Certificate of Public Convenience and Necessity sought to operate a freight service as follows: Applicant seeks to amend Common Carrier Certificate No. 68 by adding authority to extend its present service to include service to and/or from the following points: Portland, South Portland, West Falmouth, Upper Gloucester, New Gloucester, Gray, Danville Junction, Auburn, Lewiston, Mechanic Falls, Welchville, West Minot, Minot, Hebron, Norway, South Paris, Paris, Buckfield, West Paris, South Woodstock, West Sumner, East Sumner, Sumner, Bryant Pond, North Woodstock,

Bethel, Milton, Abbotts Mill, Peru, West Peru, Rumford, Mexico, Dixfield, Turner, Turner Center, North Turner, Hartford, Livermore, East Livermore, Gilbertville, Canton, East Peru, North Livermore, Chisholm, Livermore Falls, Jay, North Jay, Dryden, East Dixfield, Wilton, East Wilton, Chesterville, North Chesterville, Farmington Falls, New Sharon, Farmington, Vienna, Belgrade Lakes, Mt. Vernon, Belgrade, North Belgrade, Sabattus, Greene, Leeds Junction, Litchfield Corner, Pittston, Randolph, Chelsea, Togus, Augusta, Wales, Litchfield, Monmouth, West Gardiner, Gardiner, Farmingdale, Hallowell, Winthrop, Manchester, Leeds, North Leeds, Wayne, North Wayne, Payette, Readfield, Kents Hill, Riverside, Vassalboro, East Vassalboro, North Vassalboro, China, Winslow, Waterville, Fairfield, Clinton, Hinckley, Shawmut, Oakland, North Sidney, Sldney, Burnham, Canaan, Pittsfield, Palmyra, Newport, Detroit, Plymouth, East Newport, Etna, Carmel, Hampden, Hermon, Bangor, Orono, Brewer, Holden, Skowhegan, Madison, Anson, North Anson, Embden, Solon, Bingham, Moscow, Caratunk, West Forks, Lake Parlin, Jackman, Moose River, Rome, Smithfield, Larone, Norridgewock, Mercer, Adlocke Mills, Benton, and Veazie, Maine with pick up and delivery service in all directions to and from and in between all points on the above described points. Intrastate, interstate and foreign commerce authority sought. Hearing: Date, time and place not yet fixed. Requests for procedural information should be addressed to the Maine Public Utilities Commission, State House Annex, Capitol Shopping Center, Augusta, Maine 04330 and should not be directed to the Interstate Commerce Commission.

Montana Docket No. MC 3167, filed May 19, 1977. Applicant: THOMAS O. MATTINGLY, doing business as KOOTENAI MOTOR FREIGHT, 476 Tronstad Road, Kalispell, Mont. 59901. Certificate of Public Convenience and Necessity sought to operate a freight service as a Class B, common-irregular, carrier as follows: Transportation of property (except commodities in bulk, liquid or dry, heavy machinery and household goods), between Kalispell and Troy, Mont., via Highway 2 and return, serving all intermediate points. Intrastate, interstate and foreign commerce authority sought. Hearing: Date, time and place scheduled for July 27, 1977, at Kalispell, Mont., time to be later assigned. Requests for procedural information should be addressed to the Montana Public Service Commission, 1227-11th Avenue, Helena, Mont. 59601 and should not be directed to the Interstate Commerce Commission.

North Dakota Docket No. M-1116, filed December 9, 1976. Applicant: TRANS DAKOTA CORPORATION, P.O. Box 822, Bismarck, N. Dak. 58501. Applicant's representative: Maury C. Thompson,

P.O. Box 1771, Bismarck, N. Dak. 58501. Certificate of Public Convenience and Necessity sought to operate a freight service as follows: Transportation of Passengers, excess in freight not to exceed 100 pounds per package, from Dickinson, N. Dak., along Interstate Highway 94 to the Bismarck Airport, Bismarck, N. Dak., and from the Bismarck Airport, Bismarck, N. Dak. along Interstate Highway 94 to Dickinson, N. Dak. Intrastate, interstate and foreign commerce authority sought. Hearing: Date, time and place scheduled for June 28, 1977, at 9:30 a.m., mountain daylight savings time or as soon thereafter as counsel may be heard, in the veteran's room of the Stark County Courthouse at Dickinson, N. Dak. Requests for procedural information should be addressed to the North Dakota Public Service Commission, State Capitol Building, Bismarck, N. Dak. 58501 and should not be directed to the Interstate Commerce Commission.

Texas Docket No. 002627A9A, filed May 5, 1977. Applicant: CENTRAL FREIGHT LINES, INC., 5601 West Waco Drive, P.O. Box 238, Waco, Tex. 76703. Applicant's representative: Phillip Robinson, P.O. Box 2207, Austin, Tex. 78768. Certificate of Public Convenience and Necessity sought to operate a freight service as follows: Transportation of General commodities as follows: Between Quitman and Winnsboro, Tex.; from Quitman over Texas FM 2088 to Perryville, thence over Texas FM 852 to Winnsboro and return over the same route serving the termini and all intermediate points and serving the plant-sites and warehouse facilities of Kendon of Dallas, Kendon Industries, Bronzcraft, and United Marketing Associates located approximately two miles northwest of Perryville via FM 852 and unnumbered county road.

NOTE.—Applicant proposes to tack and coordinate the proposed additional services with all services authorized in intrastate commerce under Certificates 2627, 2054, 4336, and 4337 and with all services now authorized in interstate and foreign commerce under authorities granted in Docket No. MC-30867 and all subs thereunder. Applicant seeks no duplicate authority. Intrastate, interstate and foreign commerce authority sought.

HEARING: Date, time, and place will be assigned for hearing approximately 30 days after publication in the FEDERAL REGISTER. Requests for procedural information should be addressed to the Texas Railroad Commission, P.O. Drawer 12967, Capitol Station, Austin, Tex. 78711, and should not be directed to the Interstate Commerce Commission.

By the Commission.

ROBERT L. OSWALD,
Secretary.

[FR Doc. 77-16184 Filed 6-8-77; 8:45 am]

sunshine act meetings

This section of the FEDERAL REGISTER contains notices of meetings published under the "Government in the Sunshine Act" (Pub. L. 94-409), 5 U.S.C. 552b(e)(3).

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1

AGENCY HOLDING MEETING: Consumer Product Safety Commission.

TIME AND DATE OF MEETING: June 15, 1977, 9:30 a.m.

LOCATION: 3rd Floor Hearing Room, 1111 18th St. NW., Washington, D.C.

STATUS: Part is open; part is closed.

MATTERS TO BE DISCUSSED:

A. Open to the public: *Management Budget Review*. This is the first of a series of briefings on the zero-based budget process which are scheduled for the month of June.

B. Closed to the public: *Asbestos*. The Office of the General Counsel will brief the Commission on legal strategy issues arising from the Commission's April 28, 1977, decision to ban certain asbestos-containing consumer products. (This briefing is tentative; to be scheduled only if needed.)

CONTACT PERSON FOR ADDITIONAL INFORMATION:

Sheldon D. Butts, Assistant Secretary, Office of the Secretary Suite 300, 1111 18th St. NW., Washington, D.C. 20207, telephone 202-634-7700.

[S-600-77 Filed 6-6-77; 12:27 pm]

2

AGENCY HOLDING THE MEETING: Consumer Product Safety Commission.

TIME AND DATE OF MEETING: June 16, 1977, 9:30 a.m.

LOCATION: 3rd Floor Hearing Room, 1111 18th St. NW., Washington, D.C.

STATUS: Open.

MATTERS TO BE DISCUSSED:

Asbestos. The Commission will consider various options for action which arise from its April 28, 1977, decision to ban certain asbestos-containing consumer products.

Possible substantial product hazard: Fi-Shock, Inc., ID 76-133. Based on its determination that a possible defect in Fi-Shock electric fence controllers pre-

sents less than a substantial product hazard, the staff has recommended that the Commission close this case.

Possible substantial product hazard: Radio Shack Division, Tandy Corp., ID 77-82. Based on its determination that a possible defect in Radio Shack electric buzzers presents less than a substantial product hazard, the staff has recommended that the Commission close this case.

Possible substantial product hazard: Carrier Corp., ID 77-23. The staff has recommended that the Commission accept the corrective action plan which Carrier Corp. has implemented to deal with a possible fire hazard of certain air conditioners.

Possible substantial product hazard: Whirlpool Corp., ID 77-11. The staff has recommended that the Commission accept the corrective action plan which Whirlpool Corp. has implemented to deal with a possible fire hazard of certain air conditioners.

AMF request for exemption from chain guard requirements of the bicycle regulations. AMF Wheel Goods has asked for an exception so that it can utilize its inventory of chain guards which, when installed on bicycles, may not meet the requirements of CPSC's bicycle regulations.

Establishing priorities for commission action. Commission action on this matter would make final the CPSC policy on priorities, which was published as an interim rule in July, 1976.

Pacifier regulation. In October 1976, the Commission proposed regulations which would establish requirements to eliminate certain hazards posed by some pacifiers. This item would make that regulation final.

CONTACT PERSON FOR ADDITIONAL INFORMATION:

Sheldon D. Butts, Assistant Secretary, Office of the Secretary, Suite 300, 1111 18th St. NW., Washington, D.C. 20207, telephone 202-634-7700.

[S-601-77 Filed 6-6-77; 12:46 pm]

3

AGENCY: Federal Election Commission.

DATE AND TIME: Wednesday, June 15, 1977, at 10 a.m.

PLACE: 1325 K Street NW., Washington, D.C.

STATUS: This meeting will be closed to the public.

MATTERS TO BE CONSIDERED: Compliance.

PERSON TO CONTACT FOR INFORMATION:

David Fiske, Press Officer, telephone 202-523-4065.

[S-605-77 Filed 6-7-77; 9:28 am]

4

AGENCY HOLDING MEETING: Federal Power Commission.

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: 42 FR 29139, June 7, 1977.

PREVIOUSLY ANNOUNCED TIME AND DATE OF MEETING: June 9, 1977, 2 p.m.

CHANGE IN THE MEETING: Addition of item P-7, Docket No. E-8008, Florida Power & Light Company.

[S-606-77 Filed 6-7-77; 10:09 am]

5

AGENCY HOLDING THE MEETING: Federal Trade Commission.

TIME AND DATE: 10 a.m., Wednesday, June 15, 1977.

PLACE: Room 432, Federal Trade Commission Building, 6th Street and Pennsylvania Avenue NW., Washington, D.C. 20580.

STATUS: Open.

MATTERS TO BE CONSIDERED:

(1) Consideration of a staff recommendation concerning implementation of a proposed procedural rule to prevent evidence which was not but should have been supplied in response to advertising substantiation requests from being introduced by a respondent in a resulting adjudicative proceeding.

(2) Report from general counsel on congressional matters.

CONTACT PERSON FOR MORE INFORMATION:

Leonard J. McEnnis, Jr., Office of Public Information 202-523-3830; recorded message 202-523-3806.

[S-608-77 Filed 6-7-77; 10:47 am]

6

AGENCY HOLDING THE MEETING: Federal Trade Commission.

TIME AND DATE: 10 a.m., Tuesday, June 14, 1977.

PLACE: Room 432, Federal Trade Commission Building, 6th Street and Pennsylvania Avenue NW., Washington, D.C. 20580.

STATUS: Closed.

MATTERS TO BE CONSIDERED:

Nonadjudicative matters. (1) Approval of minutes of nonadjudicative matters considered at meeting of June 7, 1977.

(2) Joint consideration of proposed issuance of complaint and of issuance of proposed resolution authorizing compulsory process in (nonpublic) Part II matter.

(3) Consideration of proposed investigation resolution in (nonpublic) Part II matter.

(4) Consideration of proposed issuance of complaint and injunction action in (nonpublic) Part II matter.

Adjudicative matters under Part 3 of the rules of practice. The Commission has not yet scheduled any adjudicative items for discussion at this meeting.

CONTACT PERSON FOR MORE INFORMATION:

Leonard J. McEnnis, Jr., Office of Public Information, 202-523-3830; recorded message 202-523-3806.

[S-609-77 Filed 6-7-77; 10:47 am]

7

AGENCY HOLDING THE MEETING: National Transportation Safety Board.

TIME AND DATE: 9:30 a.m., Thursday, June 16, 1977 (NM-77-15).

PLACE: NTSB Board Room, National Transportation Safety Board, 800 Independence Avenue SW., Washington, D.C. 20594.

STATUS: Open.

MATTERS TO BE CONSIDERED:

1. *Aircraft accident report.* Rupp Automotive, Inc., Beechcraft Baron 58, N1553W, Chillicothe Municipal Airport, Chillicothe, Missouri, August 3, 1976.

2. *Discussion.* Closeout of Aviation Safety Recommendation Nos. A-76-123, A-76-124, A-76-125, A-76-126, A-76-127, A-77-2, and A-74-44.

3. *Discussion.* Closeout of Aviation Safety Recommendations Nos. A-75-76, A-76-28, A-76-46, A-76-92, A-76-134, and A-76-135.

4. *Discussion.* Distribution of responses to selected safety recommendations.

5. *Discussion.* Public hearing, New York Airways Helicopter Accident.

CONTACT PERSON FOR MORE INFORMATION:

Sharon Flemming (202-755-4930).

[S-603-77 Filed 6-6-77; 4:57 pm]

8

AGENCY HOLDING THE MEETING: National Transportation Safety Board.

TIME AND DATE: 2:30 p.m., Thursday, June 16, 1977 (NM-77-16).

PLACE: NTSB Board Room, National Transportation Safety Board, 800 Independence Avenue SW., Washington, D.C. 20594.

STATUS: Closed.

MATTERS TO BE CONSIDERED:

1. *Request for instruction.* Administrator v. Jones, Dkt. SE-2710.

2. *Opinion and order.* Administrator v. Delcavo, Docket SE-3268; disposition of Administrator's appeal.

3. *Opinion and order.* Administrator v. Wynne, Docket SE-3457; disposition of Administrator's appeal.

CONTACT PERSON FOR MORE INFORMATION:

Sharon Flemming (202-755-4930).

[S-604 Filed 6-6-77; 4:57 pm]

9

AGENCY HOLDING MEETING: United States Parole Commission—National Commissioners (the three Commissioners presently maintaining offices at Washington, D.C. Headquarters).

TIME AND DATE: Thursday, June 16, 1977; 9:30 a.m.

PLACE: Room 338 Federal Home Loan Bank Board Building, 320 First Street NW., Washington, D.C. 20537.

STATUS: Closed—Pursuant to 5 U.S.C. 552b(c) (10) and 28 CFR 16.205(b) (1).

MATTERS TO BE CONSIDERED: Referrals from regional directors of approximately 20 cases in which inmates of Federal Prisons have applied for parole or are contesting revocation of parole or mandatory release.

CONTACT PERSON FOR MORE INFORMATION:

Lee H. Chait, Analyst (202-724-3094).

[S-610-77 Filed 6-7-77; 11:30 am]

10

AGENCY HOLDING THE MEETING: U.S. Railroad Retirement Board.

TIME AND DATE: 10 a.m., June 14, 1977.

PLACE: Board's meeting room on the 8th floor of its headquarters building at 844 Rush Street, Chicago, Illinois 60611.

STATUS: Parts of this meeting will be open to the public. The rest of the meeting will be closed to the public.

MATTERS TO BE CONSIDERED:

Portions open to the public: (1) Possible replacement of X-ray machine in the Board's Medical Service Section.

(2) Travelers Insurance Company's proposed railroad medicare budget for fiscal year 1978.

(3) Disclosure of application filing dates to the Southern Pacific Transportation Company in connection with continuation of life insurance benefits to employees after retirement.

(4) Attendance at senior executive education program and executive leadership and management program sponsored by the Federal Executive Institute, U.S. Civil Service Commission.

(5) Report on multi-grade postings.

(6) 1977 contract negotiations between the Board and the Council of AFGE (American Federation of Government Employees) Locals in the Board, appointment of Board representatives.

Portions closed to the public: (7) Appeal to the Board of denial of annuity application, Florine A. Rogers.

(8) Appeal to the Board of denial of waiver of recovery of overpayment, Effie M. Schneemilch.

CONTACT PERSON FOR MORE INFORMATION:

R. F. Butler, Secretary of the Board, telephone No. 312-387-4920.

[S-607-77 Filed 6-7-77; 10:29 am]

11

AGENCY HOLDING THE MEETING: Nuclear Regulatory Commission.

TIME AND DATE: Week of June 13, 1977.

PLACE: Commissioners' Conference Room, 1717 H St. NW., Washington, D.C.

STATUS: Open.

MATTERS TO BE CONSIDERED:

MONDAY, JUNE 13

5:30 p.m.—Discussion with Governors Straub (Oreg.), Carroll (Ky.), and Grasso (Conn.) on Federal-State siting issues (approx. 1 hr).

FRIDAY, JUNE 17

10 a.m.—Briefing on general policy statement on nuclear reactor site evaluations (approx. 1 hr).

1:30 p.m.—1. Briefing on implementation of Browns Ferry recommendations (approx. 1 hr). 2. Briefing on material accountability task force status (approx. 1 hr).

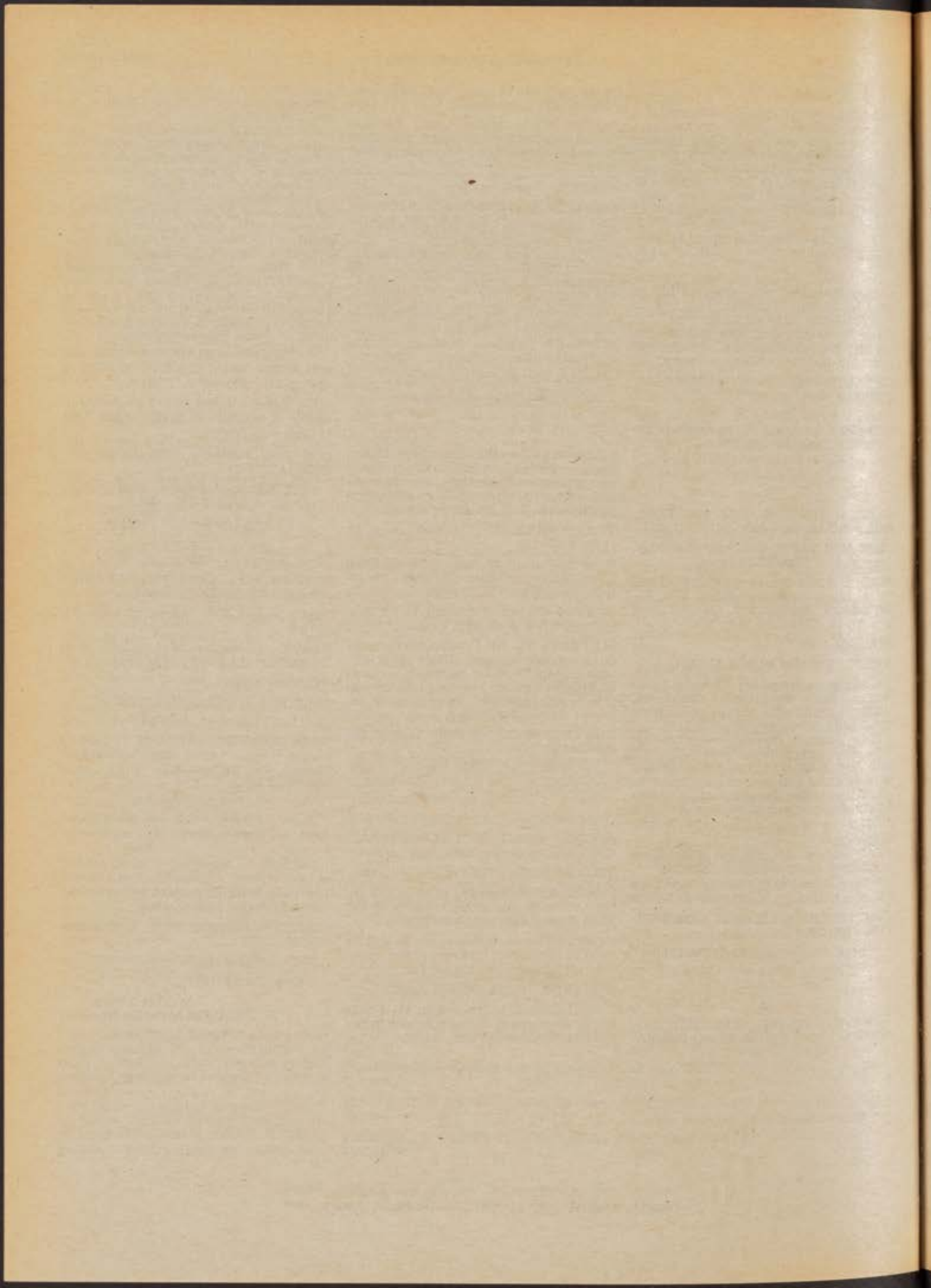
CONTACT PERSON FOR MORE INFORMATION:

Walter Magee (202-634-1410).

Dated: June 7, 1977.

WALTER MAGEE,
Office of the Secretary.

[S-619-77 Filed 6-8-77; 9:38 am]



Registered
Federal Paper

THURSDAY, JUNE 9, 1977

PART II



FEDERAL ENERGY ADMINISTRATION



INDUSTRIAL ENERGY CONSERVATION PROGRAM

Final Industrial Energy Efficiency
Improvement Targets

FEDERAL ENERGY ADMINISTRATION

INDUSTRIAL ENERGY CONSERVATION PROGRAM

Final Industrial Energy Efficiency Improvement Targets

AGENCY: Federal Energy Administration (FEA).

ACTION: Notice.

SUMMARY: The Federal Energy Administration (FEA) hereby establishes final energy efficiency improvement targets for the 10 most energy-consuming manufacturing industries in the United States. The Energy Policy and Conservation Act requires FEA to publish these targets in the *FEDERAL REGISTER*, together with a statement of the basis and justification for each target. Such statements are included as appendices to this notice.

EFFECTIVE DATE: Date of issuance.

FOR FURTHER INFORMATION CONTACT:

Ramon L. Cilimberg, 12th and Pennsylvania Avenue NW., Room 307, Old Post Office Building, Washington, D.C. 20461 (202-566-4661).

SUPPLEMENTARY INFORMATION: Part D, Title III of the Energy Policy and Conservation Act, Pub. L. 94-163 (EPCA) (42 U.S.C. 6341-6345), requires that FEA establish a program to promote increased energy efficiency by American industry. This program includes the identification and ranking of the major energy-consuming manufacturing industries, the establishment of energy efficiency improvement targets for at least the 10 most energy-consuming industries, the identification of major energy-consuming corporations within those industries for the purpose of determining those which must report progress in improving energy efficiency, and the establishment of a reporting system that provides for either the reporting by the identified corporations of energy efficiency information directly to FEA or, upon exemption, the reporting of such information indirectly through sponsors.

In accordance with section 373 of the EPCA, FEA has identified the 10 most energy-consuming industries in the United States (41 FR 12766, March 26, 1976). These industries, described according to the two-digit Standard Industrial Classification (SIC) Manual published by the Office of Management and Budget, are as follows:

Ranking	Industry	SIC No.
1	Chemicals and allied products.....	28
2	Primary metal industries.....	33
3	Petroleum and coal products.....	29
4	Stone, clay, and glass products.....	32
5	Paper and allied products.....	26
6	Food and kindred products.....	20
7	Fabricated metal products.....	34
8	Transportation equipment.....	37
9	Machinery, except electrical.....	35
10	Textile mill products.....	22

Within each of the 10 identified industries, FEA has identified the corporations that (1) consume at least one trillion British thermal units (Btu's) of energy per year in the United States, and (2) are among the 50 most energy-consuming corporations in the industry (41 FR 54977, December 16, 1976).

With the establishment of the final energy efficiency improvement targets, the chief executive officer of each corporation identified by FEA is required by section 375 of the EPCA to report to FEA on the progress made by the corporation toward meeting the target set for the industry of which such corporation is a part, unless the corporation is exempt from mandatory reporting under section 376(g) of the EPCA. Participation by a corporation in an "adequate voluntary reporting program" is the basis for exemption. FEA has published criteria which a voluntary reporting program must meet for a corporation reporting pursuant to it to be exempt under section 376(g) (41 FR 51866, November 24, 1976) and, after publishing for comment a preliminary list (42 FR 15731, March 23, 1977), has published a final list of exempt corporations on May 9, 1977 (42 FR 23538).

The form to be used by nonexempt corporations was published in the *FEDERAL REGISTER* for comment on May 4, 1977 (42 FR 22581), and a public hearing was held on May 17, 1977. After consideration of the comments by FEA and completion of the required review by the General Accounting Office, the final form will be published by FEA in the *FEDERAL REGISTER* and will be made available for

distribution. The first submission of reports by nonexempt corporations to FEA will be required within four weeks of the publication of the form.

INDUSTRIAL ENERGY EFFICIENCY IMPROVEMENT TARGETS

On October 27, 1976, FEA issued for public comment proposed energy efficiency improvement targets (41 FR 48169, November 2, 1976). Public hearings were held for each proposed target in Washington, D.C., between November 22, 1976, and December 10, 1976. Written comments on the targets were also received by FEA.

A discussion of the comments received with regard to a particular industry is contained in each statement of basis and justification that is appended to this notice, as well as in the target support documents that are available for public inspection at the locations and times set forth below. The comments were reviewed by FEA, the Department of Commerce (DOC), the Energy Research and Development Administration (ERDA), and the contractor which prepared the support documents for FEA. Where changes were required in data and analysis which affected the final target value, they are noted and explained in the statement of basis and justification and in the target support documents.

After consideration of the comments and all other information available to FEA, FEA hereby establishes the voluntary energy efficiency improvement targets for the 10 most energy-consuming industries in the United States as follows:

Rank	SIC No.	Industry	Proposed net target (percent)	Final (percent)	
				Net target	Offset
1	28	Chemicals and allied products.....	(16)	14	2
2	33	Primary metal industries.....	(10)	9	1
3	29	Petroleum and coal products.....	(12)	12	0
4	32	Stone, clay and glass products.....	(17)	16	1
5	26	Paper and allied products.....	(12)	20	8
6	20	Food and kindred products.....	(14)	17	3
7	34	Fabricated metal products.....	(24)	24	0
8	37	Transportation equipment.....	(16)	16	0
9	35	Machinery except electrical.....	(15)	15	0
10	22	Textile mill products.....	(27)	22	5

The table sets forth the net targets for each industry according to the order in which each industry ranks in energy consumption, and also includes the proposed target and the offset (from a gross target) that reflects the energy requirements of special circumstances. In four industries—petroleum and coal products; fabricated metals; machinery except electrical; and transportation equipment—the final net target is unchanged from the proposed target. In five industries—food and kindred products; textile mill products; chemicals and allied products; stone, clay, and glass products; and primary metal industries—the final net target is lower than the proposed target. In one industry, paper and allied products, the final target shows an increase over the proposed target, and the final target has been set on the basis of fossil fuel and

purchased energy instead of on the basis of total energy as originally proposed.

BASIS AND JUSTIFICATION FOR THE TARGETS

As required by section 374(a) (1) and (2) of the EPCA, each energy efficiency improvement target is based on the best available information and is established at the level which represents the maximum feasible improvement in energy efficiency that each industry can achieve by January 1, 1980, taking into account considerations of the technological feasibility and economic practicability of utilizing alternative operating procedures and more energy efficient technologies, as discussed below. Each target represents the percentage reduction in energy consumed per unit of output or activity that can be achieved between calendar year 1972 and January 1, 1980. The statement of the basis and justification

tion for each target is a synthesis of the significant data and determinations in the target support documents (listed in the section of this notice entitled "Public Access to Further Materials") that were prepared for FEA under contract with six contractors as adjusted to reflect public comments and FEA's determinations.

Each target was established according to a methodology which reflects the factors required to be considered by section 374(b) of the EPCA: (1) The objectives of the industrial energy conservation program, that is, to promote increased energy efficiency by American industry; (2) the technological feasibility and economic practicability of utilizing alternative operating procedures and more energy efficient technologies; (3) any special circumstances or characteristics of an industry; and (4) any actions planned or implemented by an industry to reduce consumption of petroleum products or natural gas. This methodology is, in turn, reflected in the statements of the basis and justification of each target which is included in this notice as appendices A-J. However, because the targets are based on the best available information and the extent of information available varied among industries, the target support documents prepared in accordance with the methodology contain varying levels of data and analysis and, therefore, each basis and justification also varies.

A description of the content of the statements of the basis and justification is provided as follows in the same format as appears in the statements themselves:

I. INDUSTRY DESCRIPTION AND ENERGY BASE

Each industry is briefly described and information on energy sources and consumption during the 1972 base year is presented. This data was used in projecting energy consumption by the industry by the January 1, 1980, target date and in assessing the conservation contribution of potential measures. Also included is a breakout and description of either the SIC three- or four-digit product classifications and/or other industry components that comprise the particular industry.

While section 374(a) (1) of the EPCA requires that targets shall be based on the best available information, the extent of available information varies from industry to industry. In particular, those industries which are less energy intensive or are more fragmented tend to have less comprehensive energy data than those for which energy costs have always been a major concern. The depth of analysis performed in establishing an industry target depended on the amount of relevant information that was available.

As required by section 371 of the EPCA, each of the 10 identified industries is a two-digit product classification according to the SIC Manual. The SIC Manual further divides each industry into three- and four-digit product classifications. For each industry, one of these

or perhaps some other grouping of the industry components was chosen as the appropriate means of evaluating the applicability of potential conservation measures, depending on the availability of valid information on the energy consumption patterns within the industry. In several cases where one or more components of the industry accounted for the majority of the energy consumed by the industry, those components alone were studied in detail as representative of the entire industry.

II. CRITERIA FOR APPLICABILITY OF POTENTIAL CONSERVATION MEASURES

For each industry a list of potential conservation measures was identified for screening. These potential measures include both alternative operating procedures and more efficient technologies—that is, both new processes and new or altered equipment.

A. Technological feasibility. While the criteria for technological feasibility necessarily vary from industry to industry, some of the primary criteria included determining if the measure had been sufficiently accepted by the industry, if it could be implemented on a wide basis before the target date, and if it could bring significant energy savings without affecting the product produced or the processes used. The categories of measures evaluated could include: theoretical measures (ultimate limit in energy efficiency); development measures (proved only in laboratory or pilot scale); new and old plant measures (both innovative and conventional design). In some cases, the actual cost of implementing the measure, including manpower and resource costs, was considered.

B. Economic practicability. In general, only those measures that survived the technological screening were evaluated for economic practicability. In some instances conservation measures such as improved housekeeping that would require insignificant capital expenditures were not subjected to an economic screening. Some important criteria included considerations of the economic structure and operation of the industry, such as size, age, and geographical distribution, and projections concerning the future economic conditions of the industry that considered inflation, productive capacity utilization, and operating revenues and expenses.

III. CAPITAL SPENDING DECISIONS AND FINANCING CONSTRAINTS

The manner in which each industry allocates funds for discretionary investment and whether such funds would be available in the years remaining before the target date were considered in order to determine the conservation measures which could be implemented.

A. Required return on investment. For each industry the appropriate method of calculating return on investment was chosen in order to determine if each potential conservation measure would be considered an attractive investment opportunity in the industry.

B. Capital spending priorities. In addition, the future availability of capital and the priorities for allocating capital were considered to evaluate if the industry could, in fact, implement any or all of the potential conservation measures.

IV. POTENTIAL ENERGY CONSERVATION MEASURES AND EFFORTS TO REDUCE CONSUMPTION OF PETROLEUM PRODUCTS AND NATURAL GAS

A. Potential measures identified. The technological and economic evaluations of potential measures were integrated to determine the set of potential conservation measures that would give the maximum feasible improvement in energy efficiency. The statements generally list those significant potential conservation measures that were finally used in calculating the target value.

B. Efforts to reduce consumption of petroleum products and natural gas. Any actions planned or implemented by an industry to reduce its consumption of petroleum products and natural gas through conversion to coal or other fuels were considered. The energy inefficiencies caused by such conversion would result in increased energy consumption. It is apparent, however, that none of the target industries would be able to make a sufficient conversion away from scarce fuels to require any adjustments in the target values by January 1, 1980. Each statement discusses the trends in fuel sources within the industry and the conditions which foreclose conversion to coal.

V. PROPOSED TARGET DEFINITION

A. Component goals. For each industry the maximum feasible improvement in energy efficiency that could be achieved by January 1, 1980, was first determined by means of component goals. Each component goal was calculated by determining the energy which would be saved by the target date by applying those technologically feasible and economically practicable conservation measures that could be applied to the manufacturing processes of the component. The percentage increase in energy efficiency for the component which resulted from implementing conservation measures is the component goal.

B. Proposed two-digit gross target. The proposed two-digit gross target for each industry is the weighted average of the component goals using the amount of energy consumed by the component as the weighting factor, unless a different method is described in a particular statement.

C. Special circumstances effect. Under section 374(b) (3) of the EPCA, FEA is required to consider any special circumstances or characteristics of each industry in setting the targets. FEA has defined special circumstances and characteristics to mean any requirement or condition that (i) would necessarily result in energy consumption between 1972 and January 1, 1980, beyond the consumption projected for that period in the determination of gross targets and (ii) was not under the discretionary control of the plant operator. Included in such require-

ments and conditions are various government environmental, health and safety regulations, as well as various other changes beyond the control of industry, such as declining quality of ore grade and alterations in product mix or changes in product characteristics.

In most of the identified industries, the energy consumption required for special circumstances was determined for each component industry or for the components that were selected for a detailed study. In some cases where it was impossible to calculate the energy consumption for special circumstances because of incomplete data, the estimated percentage effect of special circumstances was substituted.

The impact of special circumstances must be taken into account to give an accurate picture of an industry's progress in improving energy efficiency and to insure that attainment of the targets is technologically feasible and economically practicable. If the impact of the special circumstances were not separately identified, it is conceivable that savings obtained through energy conservation measures would be partially or totally offset by the increased energy requirements of, e.g., Federal regulation, the result being a showing of little or no improvement in energy conservation by the industry.

D. Proposed two-digit net target. After the special circumstances for an industry were isolated, the effect of those demands on energy consumption between 1972 and January 1, 1980, was subtracted from the gross target to produce the net targets that were proposed in November. These targets were often a lower percentage number than the voluntary targets established under the DOC/FEA industrial conservation program because the DOC/FEA targets were mostly gross targets.

IV. FINAL TARGET DEFINITION

A. Comments and impact on the proposed target. As noted above, each statement contains a discussion of the important written and oral comments received by FEA subsequent to the publication of the proposed targets. The discussions in general treat the comments by topic covered, rather than answering each individual comment separately. Where the comments and accompanying data or subsequent FEA review and analysis have resulted in changes effecting the final target value, these changes are noted.

B. Final target. A table is provided at the end of each statement showing for each industry the final values assigned to (1) the gross target, (2) any offset for special circumstances, and (3) the resulting final net target. Also provided is a tabulation of projected energy consumption by 1980 assuming the attainment of the gross target.

Public Access to Further Materials

The statements of the basis and justification for each of the targets established today are derived, for the most

part, from the detailed studies and analyses upon which the targets are based. The titles of these documents are listed below:

SIC 20

Draft Target Support Document—Energy Efficiency Improvement Targets Food and Kindred Products Industry, June 30, 1976.
Appendix Report: Part I—Energy Efficiency Improvement Targets Food and Kindred Products Industry, June 30, 1976.
Appendix Report: Part II—Energy Efficiency Improvement Targets Food and Kindred Products Industry, June 30, 1976.
Final Report—Energy Efficiency Improvement Targets Food and Kindred Products Industry, April 1, 1977.

SIC 22

Draft Target Support Document—Energy Efficiency Improvement Target in the Textile Mill Product Industry (SIC 22), June 26, 1976.
Final Target Support Document—Energy Efficiency Improvement Target in the Textile Mill Product Industry (SIC 22), February 4, 1977.

SIC 26

Draft Target Support Document for Energy Efficiency Improvement Target in the Paper and Allied Products Industry (SIC 26), September 1976.
Appendix To Draft Target Support Document for Energy Efficiency Improvement Target in the Paper and Allied Products Industry (SIC 26), September 1976.
Final Target Support Document for Energy Efficiency Improvement Target in the Paper and Allied Products Industry (SIC 26), March 1977.

SIC 28

Draft Target Support Document on Developing a Maximum Energy Efficiency Improvement Target for SIC 28: Chemical and Allied Products, July 1, 1976.
Appendix Part 1 for Draft Target and Support Document on Developing a Maximum Energy Efficiency Improvement Target for SIC 28: Chemical and Allied Products, July 1, 1976.
Appendix Part 2 for Draft Target and Support Document on Developing a Maximum Energy Efficiency Improvement Target for SIC 28: Chemical and Allied Products, July 1, 1976.
Revisions and Addenda to Draft Target and Support Document on Developing a Maximum Energy Efficiency Improvement Target for SIC 28: Chemicals and Allied Products, November 18, 1976.
Further Revisions to Draft Target and Support Document on Developing a Maximum Energy Efficiency Improvement Target for SIC 28: Chemicals and Allied Products, November 30, 1976.
Maximum Energy Efficiency Improvement Target for SIC 28: Chemicals and Allied Products, March 4, 1977.

SIC 29

An Energy Conservation Target for Industry SIC 29, June 25, 1976.
Technical Appendices to An Energy Conservation Target for Industry SIC 29, June 25, 1976.
Industrial Energy Efficiency Improvement Targets (SIC 29), Petroleum and Coal Products Final Target Documentation, March 3, 1977.

SIC 32

Draft Report on Development and Establishment of an Energy Efficiency Improvement Target for SIC 32: Stone, Clay, and Glass Products, June 25, 1976.

Draft Report (Appendices) on Development and Establishment of an Energy Efficiency Improvement Target for SIC 32: Stone, Clay, and Glass Products (3 volumes), June 25, 1976.

Final Report on Development and Establishment of an Energy Efficiency Improvement Target for SIC 32: Stone, Clay, and Glass Products, March 10, 1976.

SIC 33

Volume I—Target Support Document—Draft Target Report on Development and Establishment of Energy Efficiency Improvement Targets for Primary Metal Industries; SIC 33, August 13, 1976.

Volume I—Appendix—Draft Target Report on Development and Establishment of Energy Efficiency Improvement Targets for Primary Metal Industries (SIC 33), August 13, 1976.

Final Target Documentation on Draft Target Report on Development and Establishment of Energy Efficiency Improvement Targets for Primary Metal Industries (SIC 33), March 10, 1977.

SIC 34

Draft Target Support Document on Development and Establishment of Energy Efficiency Improvement Targets for Fabricated Metal Products (SIC 34), June 28, 1976.

Revised Target Support Document on Energy Efficiency Improvement Target for SIC 34—Fabricated Metal Products, March 15, 1977.

SIC 35

Energy Efficiency Improvement Targets in the Machinery (except Electrical) Industry (SIC 35), March 15, 1977. (This volume contains Section I through XIII, except for Section III, together with all exhibits and appendices.)

Target Support Document Energy Efficiency Improvement Targets in the Machinery (except Electrical) Industry (SIC 35), July 12, 1976. (This volume contains Section III with all tables.)

Energy Efficiency Improvement Targets in the Machinery (except Electrical) Industry (SIC 35)—Final Target Document, January 1977.

SIC 37

Energy Efficiency Improvement Targets in the Transportation Equipment Industry (SIC 37), July 12, 1976. (This volume contains Section I through XI, except for Section III, together with all exhibits and appendices.)

Target Support Document Energy Efficiency Improvement Targets in the Transportation Equipment Industry (SIC 37), July 12, 1976. (This volume contains Section III with all tables.)

Energy Efficiency Improvement Targets in the Transportation Equipment Industry (SIC 37)—Final Target Document, January 1977.

Because of their great significance as energy conservation source documents and their status as the underlying support to the basis and justification for each target, copies of these detailed studies and analyses, referred to in the statements as "target support documents," will be available for inspection at the FEA Freedom of Information Office, Room 2107, Federal Building, 12th and Pennsylvania Avenue NW., Washington, D.C., between the hours of 8:30 a.m. and 4:30 p.m., Monday through Friday, and at each FEA regional office as follows:

Region	Address	Hours
I	Anales Bldg., FEA Library, 150 Causeway St., Boston, Mass. 02114.	8:30 to 5.
II	Room 2400, 26 Federal Plaza, New York, N.Y. 10007.	8:30 to 5.
III	Room 1011, 1421 Cherry St., Philadelphia, Pa. 19102.	8 to 4:30.
IV	5th Floor, 1655 Peachtree St., N.E., Atlanta, Ga. 30309.	8 to 4:30.
V	Room A-333, 175 West Jackson Blvd., Chicago, Ill. 60606.	8 to 4:30.
VI	Room 280, 2630 W. Mockingbird Lane, Dallas, Tex. 75235.	8 to 4:30.
VII	Third Floor Library, 112 East 12th St., Kansas City, Mo. 64108.	7:30 to 4.
VIII	Room 206, 1075 South Yukon St., Lakewood, Colo. 80226.	7:30 to 4:30.
IX	Third Floor Reading Room, 111 Pine St., San Francisco, Calif. 94111.	7:30 to 3.
X	Room 1992, 915 2d Ave., Seattle, Wash. 98174.	8 to 4.

Note.—The establishment of the targets has been reviewed in accordance with Executive Order 11821 and OMB Circular No. A-107, and has been determined not to require evaluation of its economic impact as provided for therein.

(Energy Policy and Conservation Act, Pub. L. 94-163, as amended by Pub. L. 94-385; Federal Energy Administration Act of 1974, Pub. L. 93-275, as amended by Pub. L. 94-385; E.O. 11790, 39 FR 23185.)

The effective date of this document is the date of issuance.

Issued in Washington, D.C., June 1, 1977.

ERIC J. FYGL
Acting General Counsel
Federal Energy Administration.

APPENDIX A: STATEMENT OF BASIS AND JUSTIFICATION FOR THE ENERGY EFFICIENCY IMPROVEMENT TARGET FOR SIC 20—FOOD AND KINDRED PRODUCTS

1. INDUSTRY DESCRIPTION AND ENERGY BASE

Food and kindred products Standard Industrial Classification Code (SIC) 20 is comprised of 47 four-digit product classifications of foods and beverages for human and animal consumption including certain related products such as manufactured ice. These 47 classifications themselves include companies involved in diverse production efforts, but much information is available only at the four-digit level. The following table identifies the forty-seven SIC 20 classifications and gives information on energy consumption for each classification in 1972, the base year:

SIC	Component industry	1972 energy consumed 10 ³ Btu's	Percent of total SIC 20 consumption
2002	Beet sugar	88.7	8.5
2005	Wet corn milling	63.5	6.1
2011	Meat packing plants	87.3	8.3
2082	Malt beverages	59.1	5.6
2083	Canned fruits and vegetables	52.6	5.0
2085	Fluid milk	50.5	4.8
2091	Bread, cake, and related products	54.3	5.2
2073	Soybean oil mills	43.0	4.1
2002	Cane sugar refining	38.9	3.7
2007	Frozen fruits and vegetables	26.8	2.5
2008	Prepared feeds, not elsewhere classified	43.7	4.2
2079	Shortening and cooking oils	30.4	2.9
2099	Food preparations, not elsewhere classified	32.7	3.1
2077	Animal and marine fats and oils	32.9	3.1
2022	Cheese, natural and processed	21.8	2.1

SIC	Component industry	1972 energy consumed 10 ³ Btu's	Percent of total SIC 20 consumption
2023	Condensed and evaporated milk	23.0	2.2
2032	Canned specialties	21.2	2.1
2086	Bottled and canned soft drinks	30.3	2.9
2016	Poultry dressing plants	14.5	1.4
2085	Distilled liquor	21.4	2.0
2013	Sausage and prepared meats	21.2	2.0
2047	Pet food	12.8	1.2
2001	Raw cane sugar	14.2	1.4
2065	Confectionery products	18.2	1.7
2038	Frozen specialties	12.2	1.2
2041	Flour and other grain mill products	13.8	1.3
2034	Dehydrated food products	10.0	1.0
2052	Cookies and crackers	13.3	1.3
2056	Roasted coffee	14.2	1.4
2083	Malt	9.4	.9
2043	Cereal breakfast foods	8.3	.8
2074	Cottonseed oil mills	7.0	.7
2035	Pickles, dressings, and sauces	7.5	.7
2024	Ice cream and frozen desserts	6.1	.6
2021	Creamery butter	8.5	.8
2066	Chocolate and cocoa products	5.1	.5
2087	Flavoring extracts and sirups, not elsewhere classified	7.9	.8
2017	Poultry and egg processing	4.4	.4
2091	Canned and cured seafood	6.2	.6
2084	Wines, brandy	2.5	.3
2092	Fresh or frozen package fish	3.7	.4
2076	Vegetable oil mills, not elsewhere classified	4.1	.4
2044	Rice milling	2.4	.2
2007	Manufactured ice	3.2	.3
2008	Macaroni and spaghetti	2.4	.2
2045	Blended and prepared flour	2.6	.2
2067	Chewing gum	1.2	.1

Energy sources for SIC 20 were as follows in 1972:

Form of energy	10 ³ Btu	Percent of total
Fuel oil	188.1	15.1
Natural gas	628.1	60.0
Coal, coke, breeze	114.1	10.9
Electricity	126.7	12.1
Other	19.9	1.9
Total	1,066.9	100.0

The 47 industry components making up SIC 20 are described as follows:

Meat packing plants, SIC 2011, includes companies primarily engaged in slaughtering cattle, hogs, sheep, lambs, and calves for meat.

Sausages and other prepared meat products, SIC 2013, describes companies which manufacture sausages, cured meats, smoked meats, and other prepared meats and meat specialties, from purchased carcasses and other materials.

Poultry dressing plants, SIC 2016, includes companies which slaughter and dress poultry, rabbits, and other small game, for meat to be sold or used for further processing.

Poultry and egg processing, SIC 2017, describes companies which prepare processed poultry products from purchased carcasses or which are engaged in the drying, freezing, and breaking of eggs.

Creamery butter, SIC 2021, groups companies primarily engaged in manufacturing creamery butter.

Cheese, natural and processed, SIC 2022, includes manufactures of all types of natural cheese (except cottage cheese), processed cheese, cheese foods, and cheese spreads.

Condensed and evaporated milk, SIC 2023, describes companies which make condensed and evaporated milk and related products,

including ice cream mix and ice milk made for sale as such, and dry milk products. Also included is the manufacture of nondairy-base cream substitutes and dietary supplements.

Ice cream and frozen desserts, SIC 2024, includes manufactures of ice cream and other frozen desserts such as ice milk and sherbets.

Fluid milk, SIC 2026, groups companies primarily engaged in processing and distributing milk and cream, and related products including cottage cheese.

Canned specialties, SIC 2032, describes companies which can specialty products such as baby foods, health foods, and soups except seafood.

Canned fruits, vegetables, preserves, jams, and jellies, SIC 2033, groups companies which can fruits and vegetables, and fruit and vegetable juices, or manufacture catsup and similar tomato sauces, preserves, jams, and jellies.

Dried and dehydrated fruits, vegetables, and soup mixes, SIC 2034, includes companies which sun dry or artificially dehydrate fruits and vegetables, or which manufacture packaged soup mixes from dehydrated ingredients.

Pickled fruits and vegetables, vegetable sauces and seasonings, and salad dressings, SIC 2035, describes companies engaged in pickling and brining fruits and vegetables, and in manufacturing salad dressings, vegetable relishes, sauces, and seasonings.

Frozen fruits, fruit juices and vegetables, SIC 2037, includes companies which freeze and cold pack fruits, fruit juices, and vegetables.

Frozen specialties, SIC 2038, includes companies which freeze and cold pack food specialties, such as frozen dinners and frozen pizza.

Flour and other grain mill products, SIC 2041, describes companies engaged in milling flour or meal from grain, except rice.

Cereal breakfast foods, SIC 2043, includes companies which manufacture cereal breakfast foods and related preparations.

Rice milling, SIC 2044, describes companies which clean and polish rice, and companies which manufacture rice flour or meal.

Blended and prepared flour, SIC 2045, includes companies which prepare blended flours and flour mixes or doughs from purchased flour.

Wet corn milling, SIC 2046, includes companies which mill corn or sorghum grain by the wet process, and produce starch, syrup, oil, sugar, and byproducts, such as gluten feed and meal.

Dog, cat and other pet food, SIC 2047, includes manufactures of pet food from cereal, meat, and other ingredients.

Prepared feeds and feed ingredients for animals and fowls, not elsewhere classified, SIC 2048, describes companies which manufacture prepared feeds and feed ingredients and adjuncts for animals and fowls.

Breads and other bakery products, except cookies and crackers, SIC 2051, includes those companies which manufacture bread, cakes, and other "perishable" bakery products.

Cookies and crackers, SIC 2052, describes companies which make cookies, crackers, pretzels, and similar dry bakery products.

Cane sugar, except refining only, SIC 2061, includes manufacturers of raw sugar, syrup, or finished cane sugar from sugar cane.

Cane sugar refining, SIC 2062, describes companies primarily engaged in refining purchased raw cane sugar and sugar syrup.

Beet sugar, SIC 2063, includes companies primarily engaged in manufacturing sugar from sugar beets.

Candy and other confectionary products, SIC 2065, includes companies which make candy, including chocolate candy (except

solid bars), salted nuts, other confections and related products.

Chocolate and cocoa products, SIC 2066, describes companies which shell, roast, and grind cocoa beans to make chocolate liquor, cocoa powder, cocoa butter, solid chocolate bars and chocolate coatings.

Chewing gum, SIC 2067, describes companies which manufacture chewing gum or chewing gum base.

Cottonseed oil mills, SIC 2074, includes manufacturers of cottonseed oil, and byproduct cake, meal, and linters.

Soybean oil mills, SIC 2075, includes manufacturers of soybean oil, and byproduct cake and meal.

Vegetable oil mills, except corn, cottonseed, and soybean, SIC 2076, includes companies which manufacture vegetable oils and byproduct cake and meal, except corn, cottonseed, and soybean. This classification includes castor oil, coconut oil, linseed oil and peanut oil.

Animal and marine fats and oils, SIC 2077, describes companies which manufacture animal and marine oils and those rendering inedible grease and tallow from animal fat, bones, and meat scraps.

Shortening, table oils, margarine and other edible fats and oils, not elsewhere classified, SIC 2079, includes manufacturers of shortening, table oils, etc. by further processing of purchased animal and vegetable oils.

Malt beverages, SIC 2082, describes manufacturers of all kinds of malt beverages including beer, ale, and malt liquor.

Malt, SIC 2083, describes companies which manufacture malt or malt byproducts from barley or other grains.

Wines, brandy, and brandy spirits, SIC 2084, describes manufacturers of these spirits and bonded storerooms which blend wines.

Distilled, rectified, and blended liquors, SIC 2085, includes companies which manufacture alcoholic liquors, cordials, and alcoholic cocktails by blending processes or by mixing liquors and other ingredients.

Bottled and canned soft drinks and carbonated waters, SIC 2086, includes companies which make soft drinks and carbonated waters (nonalcoholic).

Flavoring extracts and flavoring syrups, not elsewhere classified, SIC 2087, describes manufacturers of flavorings for soda fountain use or for the manufacture of soft drinks.

Canned and cured fish and seafoods, SIC 2091, includes companies primarily engaged in cooking and canning fish, shrimp, oysters, clams, crabs, and other seafoods, including soups, and those engaged in smoking, salting, drying or otherwise curing fish for the trade.

Roasted coffee, SIC 2095, describes companies which roast coffee and those which make coffee concentrates and extracts.

Manufactured ice, SIC 2097, describes companies primarily engaged in manufacturing ice for sale.

Macaroni, spaghetti vermicelli, and noodles, SIC 2098, includes companies manufacturing dry macaroni, spaghetti, vermicelli, and noodles.

Food preparations, not elsewhere classified, SIC 2099, includes companies primarily engaged in manufacturing prepared foods and miscellaneous food specialties, not elsewhere classified, such as baking powder, yeast, peanut butter, tea, spices, and potato chips.

II. CRITERIA FOR APPLICABILITY OF POTENTIAL CONSERVATION MEASURES

Each component industry was approached on a composite basis as distinct from a model plant approach. Since most of the

data available were on a plant specific or technique specific basis, it was necessary to rely on expert judgment and information from a number of professional sources.

A. *Technological Feasibility.* Five criteria were developed to measure technological feasibility. An affirmative answer to each of the following questions was necessary for each potential conservation measure to pass this screening.

1. Is it commercially available?
2. Can it be widely installed by January 1, 1980?

3. Can it be used without significant changes in industry or plant product mix?

4. Can it be introduced without significant losses in processing plant production?

5. Can it meet requirements of federal and State standards for both products and production processes?

B. *Economic Practicability.* For each measure that passed the technological screening, an economic assessment was made to determine economic viability. An after-tax discounted cash flow return on investment method was used to establish economic viability. This involved computing the internal rate of return at which the annual equivalent cost of each energy efficiency improvement measure was equal to the annual energy cost savings. The degree of viability of the measure for the composite industry was obtained by estimating the probability that the rate of return for each measure would be greater than or equal to the four-digit component industry's cost of capital, where the component industry's rate of return was described by a distribution.

III. CAPITAL SPENDING DECISIONS AND FINANCING CONSTRAINTS

A. *Required Return on Investment.* Capital availability is a constraining factor within the SIC 20 component industries, and available capital was found to be insufficient for all investments which had some probability of their internal rate of return being equal to or greater than the industry cost of capital. A sensitivity analysis, assuming unlimited capital at each industry's cost of capital was performed. In this hypothetical case, the gross target for SIC 20 was increased from 15 percent to 19 percent; this difference suggests that a sizeable target-related constraint exists due to capital limitations.

B. *Capital Spending Priorities.* Although a potential conservation measure may be economically viable, it may not be practicable for a particular firm because of other priorities for capital investment. Some firms may not be able to implement all available conservation measures because they have already allocated all available capital to more attractive investments, to mandatory investments for complying with Federal or State regulations or for manning production.

Replacement restraints may affect the allocation of capital. Some firms will not replace existing equipment to improve energy efficiency until the equipment's useful life has been utilized.

Third, the limited supply of selected conservation equipment reduces the degree of a conservation measure's implementation by 1980. Some measures (capital facilities and equipment) are likely to be unavailable on a supply schedule necessary to meet aggregate industry demands as implied in this study by 1980. If effective demand increases sharply, price increases would be expected, and these would also dampen the aggregate industry response to a given energy conservation measure. The assessment of these characteristics of SIC 20 was, at times, necessarily subjective, but the factors involved are well documented in the target support document.

IV. POTENTIAL ENERGY CONSERVATION MEASURES AND EFFORTS TO REDUCE USE OF PETROLEUM PRODUCTS AND NATURAL GAS

A full discussion of the examination of all potential energy conservation measures considered for application to each of the 47 component industries can be found in the target support documents which are available for examination at the locations and times specified in the body of this notice. This appendix will only discuss the major aspects of the assessment of potential energy conservation measures.

A. *Potential Measures Identified.* The major energy conservation measures considered for the food and kindred products industry were:

WASTE ENERGY RECOVERY

1. Use waste heat from plant equipment (cookers, dryers, kilns, mechanical compressors).
2. Recover heat in waste service hot water.
3. Recover heating or cooling effect from ventilation exhaust air to precondition incoming ventilation air (e.g., use "heat wheel" or other heat exchanger to cross-exchange building exhaust air with make-up air).
4. Reduce building exhausts and thus make-up air or recycle air for heating, ventilation and air conditioning to maximum extent.
5. Increase regeneration in fluid heat cooling recovery by increasing size of heat exchanger.
6. Use low temperature waste effluent to cool input streams.

IMPROVE ELECTRICAL ENERGY USAGE

1. Optimize plant power factors by (i) de-energizing excess transformer capacity, and (ii) installing capacitor banks to increase power factor.
2. Optimize motor sizes and pumps with loads to improve power factor and efficiency.
3. Use more efficient light sources, i.e., convert to fluorescent, mercury, sodium, or high intensity direct lighting.
4. Reduce or eliminate general lighting where natural light provides sufficient illumination. Limit higher lighting levels to task areas only.
5. Reduce general illumination to minimum necessary for safety.
6. Reduce exterior buildings and grounds illumination to minimum safe level.
7. Consider replacing electric motors with back pressure steam turbines and use exhaust steam for process heat.
8. Use multiple capacity compressors for refrigeration.

INCREASED BOILER AND STEAM EFFICIENCY

1. Minimize boiler blowdown.
2. Use better feedwater treatment to reduce blowdown need.
3. Recover heat from hot blowdown.
4. Return more steam condensate to boiler.
5. Use flue gas heat to preheat boiler feedwater and combustion air.
6. Use waste heat from hot flue gases to generate low pressure steam or hot water.
7. Reduce combustion air flow to optimum and improve combustion control capability.
8. Install and repair steam traps.
9. Descale boiler tubes more frequently.
10. Insert turbulators or spinners in boilers to increase heat transfer to water.
11. Improve oil atomization (use compressed air rather than steam).
12. Better maintenance of burners and injection systems.
13. Minimize use of standby boilers or boilers operating at low power.

USE OF INSULATION

1. Insulate steam and condensate lines.
2. Upgrade insulation and linings in furnaces, boilers, kilns, ovens, cookers and other process equipment.
3. Insulate walls, ceilings, and roofs.

REFRIGERATION AND SPACE CONDITIONING

1. Maintain space temperature lower during the winter season and higher during the summer season.
2. Air condition only space in use.
3. Reduce air conditioning load by evaporating water from roof.
4. Shut-down air conditioning during non-working hours.
5. Reduce heating level when building is not in use.
6. Use process waste heat for space heating.
7. Use double doors or curtains between heated and cooled areas.
8. Install air seals around truck loading dock doors.
9. Keep loading dock doors closed when not in use.

DRYERS, EVAPORATORS, AND OTHER PROCESS EQUIPMENT

1. Improve evaporator efficiency by installing additional effects.
2. Use mechanical vapor recompression in evaporation processes.
3. Use ring dryers rather than straight through dryers.
4. Use large screw and pneumatic presses to de-water product before drying.
5. Improve maintenance on heat transfer surfaces.
6. Minimize air intrusion into ovens and use of air fans.
7. Match air compressors to actual requirements.
8. Use microwave drying and cooking to eliminate long steam heating times.
9. Install agitators in vacuum pan of evaporators to improve heat transfer.

GENERAL ENERGY MANAGEMENT

1. Salvage and re-use process waste.
2. Use optimum sized equipment.
3. Use most efficient equipment at its maximum capacity and less efficient equipment only when necessary.
4. Minimize operation of equipment required to be maintained in standby condition.
5. Shutdown process heating equipment when not in use, or at least reduce temperature of process heating equipment when on standby.
6. Reduce operating time of equipment to that actually required.
7. Use small number of high output units instead of many small inefficient units.
8. Clean or replace filters regularly.
9. Convert from batch to continuous operation.
10. Convert from indirect to direct firing (e.g., ovens).
11. Convert liquid heaters from underfiring to immersion or submersion heating.
12. Replace steam use by high temp water-eliminate steam losses.

B. *Efforts to Reduce Consumption of Petroleum Products and Natural Gas.* Planned fuel shifts cause only a small impact, on the conservation target for SIC 20. Historically, many of the 47 food industries used coal as a major fuel. Most have long since converted to natural gas and fuel oils in response to the national concern over air pollution as well as to increased ease of operation. Government and industry standards for product quality accelerated the shift away from coal with its problems of soot and fly ash. Hand-

ling requirements, personnel requirements, and safety considerations would deter any reconversion to coal at this time.

Because of allocation and undependable supplies, many plants which had previously converted to natural gas are shifting to the use of fuel oils. Although this shift substitutes oil which is becoming scarce worldwide for domestically scarce natural gas, the trend is continuing. The general availability of fuel oils albeit at relatively higher prices deters any significant moves toward the use of more abundant fuels such as coal.

$$T = \frac{\sum_{i=1}^{47} E_i^{72} - \sum_{i=1}^{47} E_i^{80}}{\sum_{i=1}^{47} E_i^{72}}$$

where

T = 1980 energy efficiency improvement target

Σ = indicates a summation over all 47 component industries,

E_i^{72} = 1980 energy consumption using 1972 efficiency for each 4 digit industry i , $i = 1, 2, 3, \dots, 47$,

E_i^{80} = 1980 energy consumption using 1980 efficiency (1972 efficiency less improvement goal) for each industry i .

The proposed gross target for SIC 20 was 15 percent.

C. *Special Circumstances Effect.* The remaining assessment involved the evaluation of those uncontrollable factors that could affect energy efficiency. Three special circumstances were identified for SIC 20: (1) Government regulations, (2) industry structure changes, and (3) product mix shifts. Government regulations were the most apparent factors that will alter the energy consumption of the food industries. For example, the air and water environmental control programs of EPA, the employ-

V. PROPOSED TARGET DEFINITION

A. *Component Goals.* The evaluations and calculations detailed in the target support documents resulted in energy efficiency component goals for each of the four-digit components of SIC 20 as shown in Table 1.

B. *Proposed Two-Digit Gross Target.* The SIC 20, food and kindred products industry, proposed energy efficiency improvement target was determined from the 47 component goals. The procedure used for aggregating the component goals involved an energy weighting process as follows:

ment safety and health regulations of OSHA, and the food and drug standards of FDA are of widespread concern to the food industries. Implementation of these regulations is frequently costly and generally does reduce an industry's energy efficiency per unit of production. While industry structure changes and product mix shifts influence energy use, there generally was inadequate data available to quantify the energy efficiency impacts of these factors for the 1972-1980 period. The impact of special circumstances on each component industry was estimated as shown in Table I.

TABLE I.—Proposed energy efficiency improvement goals for SIC 20 components

SIC	Industry (1972 codes)	Rank order ¹	Gross goal	Adjustment	Net goal
20	Food and kindred products		15	1	14
Priority group I:					
2063	Beet sugar	1	23	2	21
2046	Wet corn milling	2	8	1	7
2011	Meat packing plants	3	13	1	12
2082	Malt beverages	4	8	1	7
2033	Canned fruits and vegetables	5	12	1	11
2026	Fluid milk	6	16	1	15
2051	Bread, cake and related products	7	19		19
2075	Soybean oil mills	8	18	1	17
2062	Cane sugar	9	14	1	13
2037	Frozen fruits and vegetables	10	12	1	11
2048-A	Prepared feeds, not elsewhere classified	11	27	1	26
2048-B	Prepared feeds, alfalfa	11	24	1	23
Priority group II:					
2079	Shortening and cooking oils	12	14		14
2069	Food preparations, not elsewhere classified	13	15	1	14
2077-A	Animal and marine fats and oils, animal	14	12	1	11
2077-B	Animal and marine fats and oils, marine	14	9	1	8
2022	Cheese, natural and processed	15	11	1	10
2023	Condensed and evaporated milk	16	11	1	10
2032	Canned specialties	17	12	1	11
2086	Bottled and canned soft drinks	18	15	1	14
2016	Poultry dressing plants	19	15	1	14
2085	Distilled liquor	20	12	1	11
2013	Sausage and prepared meats	21	11		11
2047-A	Pet food, canned	22	14		14
2047-B	Pet food, dry	23	22	1	21
2061	Raw cane sugar	23	21	1	20
2065	Confectionery products	24	22		22
2038	Frozen specialties	25	13	1	12
2041	Flour and other grain mill products	26	8		8
2034	Dehydrated food products	27	11		11
2052	Cookies and crackers	28	19		19
Priority group III:					
2095	Roasted coffee	29	7	1	6
2083	Malt	30	9	1	8
2043	Cereal preparations	31	16		16
2074	Cottonseed oil mills	32	19	1	18
2035	Pickles, dressings and sauces	33	11		11
2024	Ice cream and frozen desserts	34	18	1	17
2021	Creamery butter	35	12	1	11
2066	Chocolate and cocoa products	36	19		19
2087	Flavoring extracts and syrups, not elsewhere classified	37	14	1	13
2017	Poultry and egg processing	38	12		12

SIC	Industry (1972 codes)	Rank order ¹	Gross goal	Adjustment	Net goal
2001	Canned and cured seafood	39	12	2	10
2034	Wines, brandy	40	16	1	15
2092	Fresh or frozen packaged fish	41	14	3	11
2076	Vegetable oil mills, not elsewhere classified	42	16		16
2044	Rice milling	43	8		8
2087	Manufactured ice	44	15		15
2098	Macaroni and spaghetti	45	8		8
2045	Blended and prepared flour	46	9		9
2067	Chewing gum	47	12		12

¹ The 47 component industries are ranked according to their 1974 total energy consumption and subdivided into 3 priority groups indicative of their energy consumption relative to the entire SIC 20 industry.

D. *Proposed Two-Digit Net Target.* Proposed net goals were derived for each component by subtracting the total component adjustments due to the effect of special circumstances from the respective proposed gross goal as shown in Table 1. The proposed net target for SIC 20 was developed by using the formula given in V B for the proposed gross target and substituting the net component goals as developed above. The resulting proposed net energy efficiency improvement target was 14 percent.

VI. FINAL TARGET DEFINITION

A. *Comments and Impact on Proposed Target.* During the public hearings that were held on December 7 and 8, 1976, 10 oral statements were presented. In addition, 20 written statements were submitted. While some statements addressed specific component industries, other statements related to the total industry group. All of the oral and written comments have been thoroughly reviewed and their impact on the proposed target has been assessed. FEA's response to the comments is summarized here by issues raised.

Most reviewers expressed concern that either the target or individual component goal would be inappropriately applied to individual plants or companies. While the target for the SIC 20 industry group can be achieved on an industry wide basis by 1980, FEA recognizes that the potential for energy efficiency improvement varies within each component industry and on a plant-by-plant basis. The component goals only apply to each composite industry and are not meant to be applied to individual plants or individual companies.

FEA used 1972 as the base year to measure industry progress in improving energy efficiency. Several comments requested more flexibility in determining a base year because of the apparent difficulty in obtaining accurate consumption figures for 1972. FEA selected 1972 as the base year for measuring energy conservation efforts because it was the latest pre-embargo calendar year. Most of the present voluntary reporting programs use 1972 as their base year, and FEA will continue to use 1972 as the base year.

Several comments addressed the energy use patterns for various components. Certain modifications were suggested based on information provided by the industries themselves. After reviewing the information provided, FEA modified the energy use profiles of four components to increase the estimated percentage of energy provided by electricity by a range of one to six percent.

Several comments suggested that more energy conservation equipment was already in place in 1972 than indicated in the draft target support document for SIC 20. In addition, it was claimed that boiler efficiency was higher for some of the industry components than indicated. FEA has reviewed these claims and has made modifications in eight components where the information revealed that more energy efficiency equipment was in place in 1972 than had been initially estimated.

Many of the comments indicated that the technically achievable energy savings for various activities were higher in the draft target support document than could reasonably be achieved. After reviewing the information provided on the energy savings of specific conservation measures, FEA concludes that decreases in the estimated potential savings are warranted in eight components.

Nearly all of those testifying indicated that governmental regulations would require more energy than indicated by the special circumstances offset in the draft target support document. The proposed offsets were reexamined in light of the additional information provided and FEA has made adjustments in three components where it was felt that governmental regulations would have a greater impact on energy consumption than initially estimated. In each case the offset was increased by one percent.

While data on the effect of special circumstances on energy consumption in SIC 20 is limited, EPCA 374(d) allows for modifying the target value if FEA feels this is necessary in the future.

Statements from several industry groups indicated that in some cases the economically practicable coefficients discussed in the target support document were too high. After reviewing the data in the support documents, FEA made adjustment in two components. In one case the internal rates of return from savings achieved by installing improved equipment and new insulation, and converting to fluorescent lighting were adjusted downward. In the other case, a very recent sharp drop in the price of the major product has virtually eliminated new capital investment over the foreseeable future.

Several comments indicated that uncontrollable climatic conditions could alter the energy use levels for components in any given year because varying moisture levels in raw products as a result of weather conditions will affect the amount of energy required to process the raw products. While FEA recognizes that raw product moisture levels and thus energy requirements may vary with climatic conditions, the proposed target was based on average moisture levels. The target may be modified, as allowed by EPCA 374(d), if future conditions warrant.

One comment stated that a portion of one component had been overlooked in developing the energy efficiency improvement goal for that component. The commentor provided information which showed that the ratio of boiler fuel to purchased electricity used by the industry was higher than estimated by FEA. Reexamination of the industry in view of the new information resulted in an increase of one percent in the component goal.

B. *Final Target.* As a result of the additional information received after the publication of the proposed targets the target values were modified. The final gross energy efficiency improvement target for the food and kindred products industry is 13 percent, and the final net energy efficiency improve-

ment target including special circumstances is 12 percent.

The following table displays the final component goals:

TABLE II.—Final energy efficiency improvement targets for the food and kindred products industry and component goals for 1980

SIC	Industry (1972 codes)	Rank order ¹	Gross goal	Adjustment	Net goal
20	Food and kindred products		13	1	12
Priority group I:					
2063	Beet sugar	1	8	2	6
2046	Wet corn milling	2	8	1	7
2011	Meat packing plants	3	13	1	12
2082	Malt beverages	4	7	1	6
2033	Canned fruits and vegetables	5	12	1	11
2026	Fluid milk	6	15	1	14
2051	Bread, cake and related products	7	19		19
2075	Soybean oil mills	8	17	1	16
2062	Cane sugar	9	14	2	12
2037	Frozen fruits and vegetables	10	12	1	11
2048-A	Prepared feeds, not elsewhere classified	11	17	1	16
2048-B	Prepared feeds, alfalfa	11	23	1	22
Priority group II:					
2079	Shortening and cooking oils	12	14		14
2099	Food preparations, not elsewhere classified	13	15		14
2077-A	Animal and marine fats and oils, animal	14	12		11
2077-B	Animal and marine fats and oils, marine	14	9	1	8
2022	Cheese, natural and processed	15	11	1	10
2023	Condensed and evaporated milk	16	11	1	10
2032	Canned specialties	17	12	1	11
2066	Bottled and canned soft drinks	18	15	1	14
2016	Poultry dressing plants	19	15	1	14
2085	Distilled liquor	20	12	1	11
2013	Sausage and prepared meats	21	11	1	10
2047-A	Pet food, canned	22	14		14
2047-B	Pet food, dry	22	21	1	20
2061	Haw cane sugar	23	21	1	20
2065	Confectionery products	24	16		16
2038	Frozen specialties	25	13	1	12
2041	Flour and other grain mill products	26	8		8
2034	Dehydrated food products	27	11		11
2052	Cookies and crackers	28	14		14
Priority group III:					
2095	Roasted coffee	29	7	1	6
2083	Malt	30	9	1	8
2043	Cereal preparations	31	16		16
2074	Cottonseed oil mills	32	19	1	18
2035	Pickles dressings and sauces	33	11		11
2021	Ice cream and frozen desserts	34	17	1	16
2024	Creamery butter	35	12	1	11
2021	Creamery butter	35	12	1	11
2036	Chocolate and cocoa products	36	12	1	11
2087	Flavoring extracts and syrups, not elsewhere classified	37	14	1	13
2017	Poultry and egg processing	38	12		12
2091	Canned and cured seafood	39	12	2	10
2064	Wines, brandy	40	16	1	15
2092	Fresh or frozen packaged fish	41	14	3	11
2076	Vegetable oil mills not elsewhere classified	42	16		16
2044	Rice milling	43	8		8
2097	Manufactured ice	44	15		15
2098	Macaroni and spaghetti	45	8		8
2045	Blended and prepared flour	46	9		9
2067	Chewing gum	47	13		13

¹ The 47 component industries are ranked according to their 1974 total energy consumption and subdivided into 3 priority groups indicative of their energy consumption relative to the entire SIC 20 Industry.

The impact in 1980 of meeting the net target of 12% as compared to 1972 is as follows for SIC 20:

1972 total consumption = 1047×10^{12} Btu

1980 total consumption = 1052×10^{12} Btu (provided the target is attained)

The following is the energy efficiency improvement target set by FEA for SIC 20:

Gross target, based solely on technological feasibility and economic practicability—13 percent

Offset, based on consideration of special circumstances—1 percent

Net target, based on technological feasibility and economic practicability plus consideration of special circumstances—12 percent

APPENDIX B: STATEMENT OF BASIS AND JUSTIFICATION FOR THE ENERGY EFFICIENCY IMPROVEMENT TARGET FOR SIC 22—TEXTILE MILL PRODUCTS

I. Industry Description and Energy Base. The textile mill products industry comprising Standard Industrial Classification (SIC) 22 consists of 30 four-digit product classifications. SIC 22 includes manufacturers and finishers of yarn, cordage, woven fabric, knit fabric, carpets and rugs.

Because the SIC often includes dissimilar processing techniques in one four-digit classification, these groupings were not appropriate for studying energy conservation in this industry. The following table describes the components that were used to analyze the textile mill industry and shows the energy consumption of each component in the base year, 1972:

Component	SIC	1972 energy consumed 10 ⁶ kWh ¹	Percent
Spinning.....	Parts of—2211: Broadwoven fabric mills, cotton; 2221: Broadwoven fabric mills, man-made fiber and silk; 2281: Yarn spinning mills; cotton, man-made fibers and silk; 2282: Yarn texturing, throwing, and winding mills; 2284: Thread mills.	10	7.2
Texturizing.....	Parts of 2221, 2281, 2282, 2284.	8	5.8
Weaving.....	2241: Narrow fabrics and other smallwares mills; 2211, 2221.	8	5.8
Knitting.....	2257: Circular knit fabric mills; 2258: Warp knit fabric mills.	1	0.7
Greige mills.....	Parts of 2211, 2221, 2257, 2258, 2281.	7	5.0
Finishing, woven fabrics.....	Parts of—2261: Finishers of broadwoven fabrics of cotton; 2262: Finishers of broadwoven fabrics of man-made fiber and silk; 2269: Finishers of textiles, not elsewhere classified.	48	34.5
Finishing, knitted fabrics.....	Parts of 2257, 2258, 2261, 2262.	10	12.7
Yarn dyeing.....	Parts of 2281, 2211, 2257, 2258.	6	4.3
Floor coverings.....	2271: Woven carpets and rugs; 2272: Tufted carpets and rugs; 2279: Carpets and rugs, not elsewhere classified.	11	7.9
Secondary processes.....	2231: Broad woven fabric mills, wool; 2251: Women's full length and knee length hosiery; 2252: Hosiery, except women's full length and knee length hosiery; 2253: Knit outerwear mills; 2254: Knit underwear mills; 2259: Knitting mills, not elsewhere classified; 2283: Yarn mills, wool; 2291: Felt goods, except woven felts and hats; 2292: Lace goods; 2293: Paddings and upholstery filling; 2294: Processed waste and recovered fibers and flock; 2295: Coated fabrics, not rubberized; 2296: Tire cord and fabric; 2297: Nonwoven fabrics; 2298: Cordage and twine; 2299: Textile goods, not elsewhere classified.	21	15.1

¹ kWh=3,412 Btu.

Energy sources for SIC 22 were as follows in 1972:

Form of energy	10 ⁶ kWh	Percent of total
Fuel oil.....	26.3	19
Coal.....	12.5	9
Natural gas.....	40.2	29
Electricity.....	33.3	24
Other.....	26.3	19
Total.....	138.6	100

II. CRITERIA FOR APPLICABILITY OF POTENTIAL CONSERVATION MEASURES

Because of the short-term goal of this project, only procedures and technologies already in implementation at least at the bench scale were considered in developing the SIC 22 target. The feasibility of implementing the measures by 1980 was adjusted according to their current stage of development. Realistic rates of implementation were based on industry experts' knowledge.

A. *Technological feasibility.* Each potential measure was evaluated using the following general criteria:

1. Can the measure be implemented in time to have an impact on energy consumption by January 1, 1980?

2. Does the measure have an unacceptable impact on the finished product? (A very few energy conservation measures which may have marginally detrimental effects on quality were considered feasible. However, their limited applicability because of the lower quality fabric produced was accounted for in the development of the component goals and industry target.)

3. Does the measure conflict with or potentially hamper compliance with EPA or OSHA regulations?

4. Does the measure conflict with or overlap a measure planned for implementation in the early 1980's? (Some firms may forego the purchase of available equipment in anticipation of purchasing better equipment with a slightly longer lead time.)

B. *Economic practicability.* Each measure that satisfied the technological criteria was then evaluated for economic feasibility. The economic analysis technique selected for this study was a modified life cycle cost analysis. The return on investment was determined by comparing the actual cash flow including depreciation, financing and taxes with initial cost in order to determine the yearly rate of return and the number of years required to pay back the capital investment.

The following assumptions were used in the analysis:

1. Tax rate—50 percent.
2. Interest rate—9 percent.
3. Depreciation rate—IRS schedule and the sum-of-the-years method of calculation were used.
4. Energy costs—Actual energy prices paid by the firms were used.

After capital costs, rate of return, and pay back periods were computed, the economically feasible set of measures was selected.

III. CAPITAL SPENDING DECISIONS AND FINANCING CONSTRAINTS

The set of technically and economically feasible measures was further screened on the basis of capital availability of obtain the optimum affordable set upon which to determine the target. The results of the return on investment ROI analysis are outlined in this section (III-A) as is the treatment of capital availability (III-B).

A. *Required return on investments.* The economic analysis revealed that, for the textile industry, the current actual payback period for capital expenditures of all types is 5.6 years. This figure was used in evaluating the economic acceptability of energy conservation measures. Each measure requiring a capital expenditure greater than \$15,000 was subjected to a return-on-investment analysis. Those measures yielding a payback period of less than 5.6 years were retained. Four technologies did not pass the return-on-investment test.

B. *Capital spending priorities.* An analysis of the financial position of the textile industry and a projection of its future performance were completed to determine if sufficient capital would be available to the industry to implement all of the feasible conservation measures. The analysis identified the approximate annual capital expenditures in the industry and the source of these funds.

As a result of the analysis, it was determined that even after non-discretionary investments, such as those required to meet current government mandated environmental and health and safety requirements, sufficient funds will be available for all of the identified technologically and economically feasible conservation measures. It was found that the capital necessary to implement all the energy conservation measures was less than 5% of current annual capital investments.

IV. POTENTIAL ENERGY CONSERVATION MEASURES AND EFFORTS TO REDUCE USE OF PETROLEUM PRODUCTS AND NATURAL GAS

This appendix will only discuss the major aspects of the assessment of potential energy conservation measures. A detailed treatment of all the potential measures which were considered can be found in the target support documents which are available for examination at the locations and times specified in the body of this notice.

A. *Potential measures identified.* Nineteen basic energy efficient technologies were identified for the following components of the textile mill products industry:

SPINNING

1. Open end spinning.

GREIGE MILLS

2. Open end spinning.

WOVEN FABRIC FINISHING

3. Convert singer burner to be adjustable to cloth width.

4. Use infrared predryer with improved burners which also adjust to cloth width.

5. Use combined infrared/hot flue predryer.

6. Use air-to-air heat exchanger on tenter.

7. Use water-to-water heat exchanger for bleach, dye, and wash wastewaters.

KNIT FABRIC FINISHING

8. Use infrared predryer with burners which are adjustable to cloth width.

9. Use combined infrared/hot flue predryer.

10. Use air-to-air heat exchanger.

11. Use water-to-water heat exchanger for bleach, dye, and wash wastewaters.

YARN DYEING

12. Use water-to-water heat exchanger to recover wastewater heat.

FLOOR COVERING

13. Install wastewater heat reclaiming system.

14. Install air-to-air heat recovery system for foam backing range.*

15. Install air-to-air heat recovery system for Kuster dryer.*

16. Install air-to-air heat exchanger for printer dryer section.*

17. Install air-to-air heat exchanger on printer steamer and dryer.*

18. Install air-to-water heat exchanger for dye becks, preheat boiler feed, and wash-down water.*

19. Low temperature dyeing.

In addition, numerous energy efficient operating procedures were identified for each of the ten industry components. These measures are identified in the target support document along with the estimated energy savings of each.

B. *Efforts to reduce consumption of petroleum products and natural gas.* Several textile manufacturing firms are converting from natural gas to oil, and a few textile firms are replacing gas and oil-fired boilers with coal-fired units. Because considerable lead time is required to install large, coal-fired boilers, the conversion to coal will have no impact on the 1980 energy conservation target.

V. PROPOSED TARGET DEFINITION

A. *Component goals.* Evaluations and screening judgments resulted in the following, gross energy efficiency improvement goals:

(Those measures marked with an asterisk (*) were considered but eliminated by the economic practicability analysis. No new technology measures were identified for the texturizing, weaving, knitting, or secondary process components.)

Component goals and gross target development

Component	(1) 1972 efficiency (kilowatt- hour per kilogram)	(2) Projected 1980 production (millions of kilogram)	(3) 1980 energy consumption using 1972 efficiency ¹ (billion kilowatt-hour)	(3) Projected 1980 efficiency (kilowatt- hour per kilogram)	(5) Projected 1980 energy consumption (billion kilowatt-hour)	(6) Component goals (percent)
Spinning.....	5.49	2,298	12.41	4.86	11.17	10
Texturing.....	4.85	2,144	10.40	4.21	9.03	13
Weaving.....	4.76	1,970	9.38	3.68	7.25	23
Knitting.....	1.75	1,090	1.91	1.29	1.41	36
Greige mills.....	9.07	985	8.93	7.68	7.50	15
Finishing, woven fabric.....	18.67	2,956	55.19	10.77	31.84	43
Finishing, knit fabric.....	20.71	1,090	22.57	13.68	14.91	34
Yarn dyeing.....	11.81	622	7.35	9.13	5.67	23
Floor coverings.....	11.43	1,113	12.72	8.19	9.12	30
Secondary processes.....	14.66	1,723	25.26	11.96	20.61	30
Totals.....			166.12		118.57	
Target calculation =	$\frac{166.12 - 118.57}{166.12} \times 100 = 29 \text{ pct}$					

¹ Col. 1 x Col. 2.² Col. 4 x Col. 2.

B. Proposed two-digit gross target. The two-digit gross target for the SIC 22 industry was computed according to the following formula:

$$\frac{\sum(E_{72} \times P_{80}) - \sum(E_{80} \times P_{80})}{\sum(E_{72} \times P_{80})} \times 100$$

where:

E_{72} = the energy consumption per unit of production for each of the components in 1972.

E_{80} = the projected energy consumption per unit of production for each of the components as of Jan. 1, 1980.

P_{80} = the projected 1980 production for each of the components.

The industry target was computed as the change in energy consumption per unit of production for each of the components, weighted to account for production differences for the various components. This approach takes into account the processing of goods by several components of the industry without counting production twice. The resulting proposed gross target for SIC 22 was 29 percent.

C. Special circumstances effect. Special circumstances which might affect the energy consumption of the textile industry included air conditioning of some mills for product quality purposes, treatment of wastewater, and the removal of cotton dust from the air within certain mills. The energy required for each of these circumstances was calculated to decrease the conservation target.

Between 1972 and 1975, air conditioning has been installed in mills representing approximately 15 percent of the production capacity of the industry, resulting in increased energy consumption of approximately 3 percent of the 1972 consumption in spinning, weaving, and greige mills, or 0.91 billion kWh annually, based on 1980 production. It is anticipated that air conditioning will continue to be installed through 1980 at the same rate requiring 1.82 billion kWh per year more in 1980 than was consumed in 1972.

The annual energy use for wastewater treatment facilities required by EPA were estimated. However, additional facilities which might be required to comply with discharge limitations more stringent than

the limitations promulgated by EPA were not considered. The energy use is approximately 0.7 billion kWh annually and approximately 70 percent of this is for pretreatment facilities with effluent subsequently discharged to municipal sewers.

Compliance with the Occupational Safety and Health Administration (OSHA) standard for cotton dust of 1.0 mg per m³ has increased energy consumption since 1972. Energy consumption for the vacuum collection systems and associated increased air conditioning loads is estimated at 1.5 percent of the total 1972 energy consumption for the weaving, spinning, and greige mill categories. In terms of 1980 production, this amounts to 0.45 billion kWh per year.

Energy consumption due to special circumstances totaled 2.97 billion kWh per year. The distribution of the additional energy by industry component is:

Component:	Billion kWh/yr.
Spinning.....	0.92
Texturizing.....	---
Weaving.....	.70
Knitting.....	---
Greige mills.....	.65
Woven fabric finishing.....	.30
Knit fabric finishing.....	.20
Yarn dyeing.....	.10
Floor coverings.....	.10
Secondary processes.....	---
Total.....	2.97

The effect of special circumstances on each component goal and on the gross industry target is shown in the following table:

Net target development

Component	(1)	(2)	(3)	(4)		(5)	
	1972 efficiency (kilowatt-hour per kilogram)	Projected 1980 production (millions of kilograms)	1980 energy consumption using 1972 efficiency ¹ (billion kilowatt-hours)	Projected 1980 efficiency (kilowatt-hour per kilogram)		Projected 1980 energy consumption ² (billion kilowatt-hours)	
				Gross	Net	Gross	Net
Spinning.....	5.40	2,398	12.41	4.86	5.22	11.07	12.09
Texturizing.....	4.85	2,144	10.40	4.21	4.21	9.03	9.03
Weaving.....	4.76	1,970	9.38	3.68	3.96	7.25	7.95
Knitting.....	1.75	1,090	1.91	1.29	1.29	1.41	1.41
Greige mills.....	9.07	985	8.93	7.68	8.26	7.56	8.21
Finishing, woven fabric.....	18.67	2,666	55.19	10.77	10.87	31.84	32.14
Finishing, knit fabric.....	30.71	1,660	22.57	13.68	13.86	14.91	15.11
Yarn dyeing.....	11.81	622	7.35	9.12	9.28	5.67	5.77
Floor coverings.....	11.43	1,113	12.72	8.19	8.28	9.12	9.22
Secondary processes.....	14.66	1,723	25.26	11.96	11.96	20.61	20.61
Totals.....			166.12			118.57	121.54

Target calculation = $\frac{166.12 - 121.54}{166.12} \times 100 = 27$ percent

¹ Col. 1 x Col. 2.

² Col. 4 x Col. 2.

NOTE.—Conversion factor: 1 kWh=3,412 Btu; 1 kg=2.2 lb.

D. Proposed two-digit net target. The proposed net target for SIC 22 was developed in a similar manner to the proposed gross target but using the proposed component figures developed above. The proposed net target was 27 percent.

VI. FINAL TARGET DEFINITION

A. Comments and impact on proposed target. Testimony given at the November 22, 1976, public hearing conducted by FEA and timely written comments on the subject of proposed targets are treated here according to the subject of the comment.

Some comments expressed concern that some of the energy conservation technologies and operating procedures considered were redundant and that the applicability of some conservation measures estimated in the support document were erroneous. Specific information concerning these comments was supplied by one commenter. These comments were carefully considered. As a result of this review, FEA adjusted some of its conclusions concerning some energy conservation measures:

1. Several operating procedures were eliminated from the target calculation.
2. The estimated applicability of conservation measures was adjusted to eliminate redundancies.
3. The degree of implementation for some operating procedures was adjusted.
4. The "net energy savings (kWh/kg)" attributable to some operating procedures were reduced.

The incorporation of these changes more accurately reflects the energy savings po-

tential in the industry. Inclusion of these changes reduced the energy conservation target.

Comment from one source suggested that the special circumstances offset for energy consumption to treat wastewater was insufficient. The commenter pointed out that some textile mills are required to meet state effluent limitations which are stricter than those imposed by EPA. FEA acknowledges that an additional energy allowance should be provided to meet more stringent wastewater treatment requirements imposed by some states. In order to meet these requirements, the energy consumption needed for wastewater treatment was increased by 14 percent or 0.10 billion kWh/yr to 0.80 billion kWh/yr.

Other comments questioned the availability of qualified personnel, especially engineers, needed to identify energy savings opportunities and to apply conservation technologies and procedures which were assumed in the support document. This situation, while a problem, is difficult to quantify. In any event, FEA has added an additional factor to the special circumstances offset the textile industry to account for the lack of qualified energy conservation personnel. This factor will reduce the industry energy conservation target by 1 percentage point, which is equivalent to 1.2 billion kWh/yr.

Two comments objected to some suggested energy conservation technologies that they felt would not meet investment criteria in use in the industry. While the economic analysis of the textile industry indicated an

average actual payback period of 5.6 years on capital investments of all types, industry spokesmen reported a desired payback period of from one to three years. FEA concludes that while this is the desired return-on-investment, the actual payback period is determined to be 5.6 years in the textile industry. Energy conservation measures meeting this 5.6 year payback period were included in the final target. A sensitivity analysis concluded that if the shorter payback period was used, the energy conservation target would decrease two percentage points.

Two commenters questioned the definition of 100 percent capacity utilization in the target support document and disagreed with the relationship between capacity utilization and energy efficiency used in the target sensitivity analysis. No additional data or information were, however, provided. After reviewing the support documents, FEA acknowledges that the description of 100 percent capacity utilization was inaccurate. FEA also agrees that the relationships between capacity utilization and energy efficiency in the textile industry are not known with sufficient accuracy to allow a sensitivity analysis of the target with respect to capacity utilization. The effect of capacity utilization changes on energy efficiency can be evaluated in the future and the target can be modified if necessary.

B. Final target. As a result of the evaluation of public comments and other information available to FEA, FEA modified the gross target for SIC 22 from 29 percent to 25 percent.

In addition, FEA has recognized the need to add the effect of special circumstances. Additional energy consumption to meet stricter wastewater treatment requirements and a correction factor for a shortage of qualified energy conservation personnel have resulted in an increase in the total offset factor from 2.97 billion kWh/yr to 4.27 billion kWh/yr.

The following table displays the proposed component goals and the final goals to illustrate the changes made.

Component	Proposed goals		Final goals	
	Gross (percent)	Net (percent)	Gross (percent)	Net (percent)
Spinning.....	10	3	9	0
Texturizing.....	13	13	10	9
Weaving.....	23	15	20	12
Knitting.....	26	26	20	13
Greige mills.....	15	8	13	8
Finishing, woven fabric.....	42	42	36	36
Finishing, knit fabric.....	34	33	26	25
Yarn dyeing.....	23	21	20	17
Floor coverings.....	28	28	26	25
Secondary processes.....	30	22	21	20
Textile industry.....	29	27	25	22

The following table shows the industry component values used in developing the final targets.

Final target development (gross and net)

Component	(1)	(2)	(3)	(4)		(5)	
	1972 energy/ production (kilowatt-hour per kilogram)	Projected 1980 production (millions of kilograms)	1980 energy consumption using 1972 efficiency ¹ (billion kilo- watt-hours)	Projected 1980 energy/ production (millions of kilograms)		Projected 1980 energy/ consumption ² (billion kilo- watt-hours)	
				Gross	Net	Gross	Net
Spinning.....	5.40	2,298	12.41	4.92	5.39	11.31	12.38
Texturing.....	4.85	2,144	10.40	4.37	4.42	9.37	9.47
Weaving.....	47.6	1,970	9.38	3.82	4.20	7.53	8.28
Knitting.....	1.75	1,090	1.91	1.30	1.52	1.51	1.66
Woolen mills.....	9.07	985	8.93	7.88	8.64	7.76	8.51
Finishing, woven fabric.....	18.67	2,956	55.19	11.91	12.08	35.21	35.71
Finishing, knit fabric.....	20.71	1,090	22.87	15.24	15.61	16.01	17.01
Yarn dyeing.....	11.81	622	7.35	9.43	9.76	5.87	6.07
Floor coverings.....	11.43	1,113	12.72	8.42	8.60	9.37	9.57
Secondary processes.....	14.06	1,723	25.26	11.64	11.73	20.06	20.21
Totals.....			166.12			121.69	128.87

$$\text{Net target calculation} = \frac{166.12 - 128.87}{166.12} \times 100 = 22 \text{ per cent}$$

$$\text{Gross target calculation} = \frac{166.12 - 124.00}{166.12} \times 100 = 25 \text{ per cent}$$

¹ Col. 1 x Col. 2.

² Col. 4 x Col. 2.

NOTE.—Conversion factor: 1 kWh = 3,412 Btu; 1 kg = 2.2 lb.

The impact of attainment of the net target on the industry's total energy consumption in 1980 as compared to 1972 is as follows for SIC 22:

1972 Total Consumption = 139×10^6 kWh
1980 Total Consumption = 129×10^6 kWh (provided the target is attained)

The following is the energy efficiency improvement target set by PEA for SIC 22:

Percent

Gross target, based solely on technological feasibility and economic practicability.....	25
Offset, based on consideration of special circumstances.....	3
Net target, based on technological feasibility and economic practicability plus consideration of special circumstances.....	22

APPENDIX C: STATEMENT OF BASIS AND JUSTIFICATION FOR THE ENERGY EFFICIENCY IMPROVEMENT TARGET FOR SIC 26—PAPER AND ALLIED PRODUCTS

I. INDUSTRY DESCRIPTION AND ENERGY BASE

The paper and allied products industry, Standard Industrial Classification (SIC) 26, is a grouping of 17 four-digit product classifications. The following descriptions of the

four-digit classifications are from the SIC Manual, 1972 edition, in an abbreviated form:

SIC

- 2611 Pulp Mills—Primarily manufacturing pulp from wood or from other materials such as rags, wastepaper, and straw.
- 2621 Paper Mills, Except Building Paper Mills—Establishments primarily engaged in manufacturing paper except building papers.
- 2631 Paperboard Mills—Primarily engaged in manufacture of paperboard from wood pulp and other fibers.
- 2641 Paper Coating and Glazing—Manufacture of coated, glazed or varnished paper from purchased paper.
- 2642 Envelopes—Manufacture of envelopes of any description from purchased paper and paperboard.
- 2643 Bags—Manufacture of bags from purchased paper, cellophane, acetate, polyethylene, polypropylene, pilofilm and foil.
- 2646 Die-Cut Paper and Paperboard and Cardboard—Engaged in die cutting purchased paper and paperboard; and in manufacture of cardboard by laminating, lining or surface coating.

2646 Pressed and Molded Pulp Goods—Manufacture of pressed and molded pulp goods such as papermache.

2647 Sanitary Paper Products—Manufacture from purchased paper, sanitary paper products such as facial tissues, napkins, etc.

2648 Stationery, Tablets and Related Products—Manufacture of stationery, tablets, looseleaf fillers, etc., from purchased paper.

2649 Converted Paper and Paper Products, N.E.C.—Other paper and paperboard products not elsewhere classified. For example, gift wraps, wallpaper, crepe paper.

2651 Folding Paperboard Boxes—Manufacture of folding paperboard boxes from purchased paperboard.

2652 Set-up Paperboard Boxes—Manufacture of boxes from purchased paperboard such as filing boxes.

2653 Corrugated and Solid Fiber Boxes—Boxes manufactured from purchased paperboard or fiber stock such as shipping hampers, display items, corrugated boxes.

2654 Sanitary Food Containers—Manufacture of food containers from special food board such as milk containers, paraffined cartons, paper cup, etc.

2655 Fiber Cans, Tubes, Drums, and Similar Products—Manufacture of cans, drums, etc., from purchased materials.

2661 Building Paper and Building Board Mills—Establishments primarily engaged in manufacture of building paper and building board from wood pulp and other fibrous materials.

For the purposes of analyzing the effect of potential conservation measures on energy consumption by SIC 26, the industry was divided into two sectors. The primary sector which accounts for over 90 percent of energy consumption by SIC 26 consists of firms involved in producing pulp, paper, paperboard and building paper at chemical process plants. While the primary sector has far fewer members, it was the focus of the industry study because of its dominating energy consumption.

The secondary sector consists of companies involved in fabricating purchased paper into commercial paper products. Because some firms in the primary sector also have facilities to produce final paper products, it is difficult to determine an accurate allocation of energy expenditures between the two sectors.

Energy consumption by SIC 26 during the base year 1972 is shown in Table 1:

TABLE 1

Fossil fuels and purchased energy	Percent	1972 fossil fuels and purchased energy (Btu $\times 10^9$)	1972 waste material and self-generated (Btu $\times 10^9$)	1972 total energy consumption totals (Btu $\times 10^9$)
PRIMARY SECTOR				
Fuel oils	38.9	0.501		
Natural gas	34.9	.449		
Coal	18.0	.232		
Liquid propane	.2	.002		
Purchased steam	1.3	.018		
Purchased electricity	6.7	.086		
Energy sold		-(.015)		
Primary subtotals	100.0	1.277	0.923	2.196
SECONDARY SECTOR				
All forms	(1)	.115	.009	.124
Totals		1.388	.932	2.320

(1) Valid data not available.

As Table 1 shows, waste materials produced during manufacturing paper accounted for about 42 percent of energy consumption in the primary sector and directly contributed to the conservation of fossil fuels and purchased energy. Any measurement of the energy contribution from burning waste material is imprecise due to the lack of process equipment (1) to meter the quantities of waste material being fed to boilers and (2) to determine the moisture content of the waste material which affects the heating value of waste material. To determine the energy contribution of waste products to the total energy consumption in SIC 26, several calculations and estimates had to be made. First, the quantity of steam produced by burning waste materials is converted by engineering tables to available Btu's. Then an estimated combustion efficiency for spent liquor chemical recovery units and bark-burning boilers is divided into Btu's of steam produced in each unit giving approximate Btu's of waste materials burned in each. This calculation unfortunately is imprecise.

Proposed efficiency improvement targets were developed in terms of fossil fuels and purchased energy as well as in terms of total energy consumption including burning waste materials, but only the target developed on the basis of total energy consumption was proposed by FEA. As a result of the comments to the proposed target and additional field survey work, as discussed in section A of Part VI of this appendix FEA concluded that the most appropriate and useful basis for the final target is fossil fuels and purchased energy.

II. CRITERIA FOR APPLICABILITY OF POTENTIAL CONSERVATION MEASURES

A. *Technological feasibility.* The technological feasibility of each alternative operating procedure and more efficient technology was screened to determine conformity with the following standards.

- (1) The measure must be capable of implementation by January 1, 1980.
- (2) It must be in operation with a reasonable level of acceptance by the industry.
- (3) It would not create adverse environmental effects.
- (4) It would have a significant impact on the target for the industry.
- (5) It could be installed and operated given the availability of manpower and equipment.

(6) It must provide net energy savings to the mill.

(7) It would not adversely affect product characteristics.

(8) It must be based on fuel availability where relevant.

B. *Economic practicability.* Those potential conservation measures that survived the technological feasibility screening were then judged for economic practicability.

Evaluation of prospective investments in distinct energy conserving measures involves two considerations.

First, the rate of return on investment (ROI) must be calculated to determine whether the return on an individual conservation measure exceeds the cost of obtaining funds to implement it, and to allocate available funds to the most effective investment alternatives. For this purpose, rate of return on investment (ROI) is defined as the discounted cash flow after taxes. This was calculated on a 10 percent investment tax credit, 48 percent corporate income tax, 10 year equipment life, a sum of the year's digit depreciation schedule, and operating cost of 7.5 percent of capital cost. The cost of capital was projected at 9.5 percent. The second consideration involved in the evaluation is the availability of capital for investment purposes. The extent to which funds are available will affect how much energy conservation is implemented. In assessing capital availability, the three major sources must be reviewed individually. Funds may be obtained from internally generated cash flows, from borrowings, or from equity financing efforts.

III. CAPITAL SPENDING DECISIONS AND FINANCING CONSTRAINTS

A. *Required return on investment.* The economic situation of the paper industry was analyzed, using data from sources such as FEA, the American Paper Institute (API), Bureau of Census, Federal Trade Commission, U.S. Office of Management and Budget, American Newspaper Publishers Association (ANPA), Ford, Bacon & Davis, and the URS Research Co. study made for the API in September 1975. In addition, discussions were held with the management personnel of API, leading banks, investment firms and paper companies and their views were assessed in the supporting analyses of past and future investment trends in the paper industry.

In the initial screening, a hurdle rate is set to establish a minimum rate of return required of any potential investment to justify further consideration. In the paper industry a 15 percent ROI approximates recent returns on equity and was used as the hurdle rate. By contrast, the ROI's cited by industry are higher than this hurdle rate at this time because available funds for investment fall short of profitable investment opportunities. The 30 to 50 percent ROI cited as company experience reflect ROI for actual proposed projects at the cut-off point where available funds are exhausted.

B. *Capital spending priorities.* The economic practicability of potential conservation measures depends on the availability of capital. A return on investment over 15 percent does not automatically determine the economic practicability of a measure.

In establishing the capital availability for the paper and allied products industry over the period 1976-1979, a projection of the consumption and production of paper in the United States was prepared, and this became the basis for much of the following analysis. Several existing studies point up the need for additional capital funds in the industry in order to satisfy the requirements for pollution control equipment, plant expansion, and the purchase of timberlands. These are non-discretionary uses of funds which must be met before investment in conservation measures will be considered, but the constant increases in the cost of energy made the conservation measures attractive as an investment.

Reference to the Cash Flow Statement, Table 2, shows that after providing funds for capital requirements including working capital, property and plant and other investments, no internally generated capital exists for purely energy conserving installations.

The paper industry Cash Flow Statement for the period 1976-1979 shows a capital deficiency for energy conservation measures for the years 1976, 1977, and 1978. Internally generated funds are estimated at \$20.8 billion less \$6.7 billion for dividend payments and debt retirements. The net funds available for investment purposes is \$14.1 billion.

Capital requirements consist of six major items:

1. Additions to working capital.
2. Acquiring timberlands.
3. Pollution control measures.
4. Plant and equipment investments to maintain and expand production in primary pulp and paper facilities.
5. Plant and equipment investments in converting, or sector II facilities.
6. Other investments.

Total capital requirements for these purposes are estimated at \$21.0 billion for the paper industry. This leaves an external financial support requirement of \$6.9 billion. However, additional long-term debt is limited to \$5.9 billion and new equity to \$1.0 billion totalling \$6.9 billion. Therefore, the net capital deficiency is zero for this period. Given the financial and operating constraints on U.S. business enterprises, funds will not be available for distinct energy conservation measures until perhaps 1979. Capital funds for discretionary spending have been largely usurped by the need to provide funds for plant and equipment to meet anticipated greater product demands. However, a certain amount of energy conservation will be inherent in investments made to expand production to meet increased demand. These new facilities undoubtedly will include new and more energy efficient designs.

TABLE 2.—Paper and allied products industry cash flow statement (in billions of dollars)

	1976	1977	1978	1979	Total
I. Internal generation of funds:					
(a) Income after taxes	2.6	2.9	3.3	3.5	12.3
(b) Depreciation and depletion	1.3	1.5	1.8	1.9	6.5
(c) Deferred income taxes	.4	.5	.5	.6	2.0
Total internal generation	4.3	4.9	5.6	6.0	20.8
II. Capital payback:					
(a) Dividend payments	.9	1.0	1.2	1.2	4.3
(b) Debt retirement	.5	.6	.6	.7	2.4
Total	1.4	1.6	1.8	1.9	6.7
III. Funds available for industry purposes	2.9	3.3	3.8	4.1	14.1
IV. Capital requirements:					
(a) Working capital additions	1.2	1.0	1.0	.7	3.9
(b) Property and plant:					
(1) Timberlands	.3	.9	.8	.2	2.2
(2) Plant-pollution control	.5	.7	1.1	1.6	3.9
(3) Plant-primary facilities	1.2	1.9	1.3	1.4	5.8
(4) Plant-converting facilities	.6	1.5	1.8	.4	4.3
Subtotal	2.6	5.0	5.0	3.6	16.2
(c) Other investments	.2	.2	.2	.3	.9
Total capital requirements	4.0	6.2	6.2	4.6	21.0
V. Funds required from external sources	1.1	2.9	2.4	.5	6.9
VI. Supplied by:					
(a) Additional long-term debt	1.0	1.6	1.5	1.8	5.9
(b) New equity		.5		.5	1.0
Total supplied	1.0	2.1	1.5	2.3	6.9
VII. Additional capital required before energy conservation retrofit measures qualify	.1	.8	.9	(1.8)	0

IV. ASSESSMENT OF POTENTIAL ENERGY CONSERVATION MEASURES AND EFFORTS TO REDUCE USE OF PETROLEUM PRODUCTS AND NATURAL GAS

A full discussion of all potential conservation measures considered can be found in the target support documents which are available for examination at the locations and times specified in the body of this notice. This appendix will discuss only the major aspects.

A. Potential measures identified. The following list of potential energy conservation measures which were screened for technological feasibility and economic practicability were selected from lists prepared by technical committees in trade associations related to the industry, the Canadian Pulp and Paper Industry Energy Conservation Program and interested industry members:

1. Automatic control of digesters by computers.
2. Control of combustion efficiencies in lime kilns with oxygen analyzers and other instruments.
3. Addition of a flash dryer between the lime mud filters and the kiln that follows to increase the mud feed solids to the kiln.
4. Addition of boiler flue gas waste heat recovery equipment.
5. Optimize boiler combustion controls.
6. Improve boiler feedwater heating with waste heat streams.
7. Computer control of paper machines.
8. Optimize paper machine dryer section hood system.
9. Reuse machine room mezzanine level air for paper machine hood supply and for building ceiling ventilation instead of outside air which has to be heated to above 200° F for the hood and to about 110° F for under the roof.
10. Counter-current washing in mills constructed with materials in bleach stages that will withstand corrosive chemicals.
11. Addition of computer controls to pulp bleaching operations.
12. Reuse water from paper machine save-all system (filter system to remove paper fibers from process water).

13. Use of variable speed fan pump drives (pumps which deliver the pulp/water mixture to the paper machine).

14. Optimize press efficiency by utilization of a wet end moisture gauge.

15. Use any available low pressure steam in the first dryer group.

Each of the above measures contributed to the proposed target value.

The following measures were not considered to be economically practicable and were not included in the target value.

1. Recover heat from reburned lime which is discharged from the kiln at about 2,000° F.
 2. Utilize disc refiners in place of less efficient Jordans or conical refiners.
 3. Optimize pressure drop across stock cleaner.
 4. Optimize paper press section efficiencies by use of a grooved or blind drilled press roll in lieu of a vacuum roll.
- The following measures were analyzed for technical feasibility since their implementation requires insubstantial capital, and they are, therefore, maintenance items:
1. Reduce excess air in steam boilers as well as in black liquor recovery boilers and wood waste burning boilers.
 2. Optimize refiner plate design.
 3. Recover stock from stock chest overflows.
 4. Upgrade paper machine wet felts maintenance and replacement.
 5. Improve maintenance and care of steam supply and dryer drainage system.
 6. Recover and reuse water from vacuum pump seals, dry drainage heat exchanger cooling water, break and drive and bearing cooling water, "sweat dryer" cooling water.
 7. Improve control of paper machine building ventilating air system to make maximum use of ambient conditions and building insulation.

B. Efforts to reduce consumption of petroleum products and natural gas. Fuel oil represents the largest single source of purchased fuels and its share is increasing as shown in Table 1. Natural gas is an important fuel source, but its role is declining at a rapid rate because the industry has apparently made an effort to convert from natural gas to fuel oil. Coal accounts for approximately

10 percent of purchased fuel. From 1972 to 1975 the paper industry increased its use of self-generated fuels including waste products from 41.7 percent to 43.4 percent of total energy consumption.

A clearer picture of energy source trends in the industry can be seen by reviewing the changes between the first quarters of each of the years, 1972, 1975, and 1976. Output by the paper industry began to increase in the latter part of 1975. In the first quarter of 1972, coal accounted for 11.4 percent of the energy consumed; by 1975 it had dropped to only 9.7 percent, but for 1976 its share increased slightly to 9.9 percent. These figures offer an indication that the drastic downward trend away from coal may have flattened out, and the percentage of coal usage may have stabilized. The trend for natural gas is clear. Gas will play a decreasing role in the paper industry. In the first quarter of 1972, 1975, and 1976 respectively, the percent of total energy consumption was 19.5 percent, 15.7 percent, and 13.8 percent.

Over this same period, oil's share of energy consumption rose from 24.3 percent to 26.6 percent. By 1980, self-generated fuels will account for 47.3 percent of energy consumption while oil will account for 27.3 percent; natural gas, 10.3 percent; coal, 9.1 percent, and purchased electricity, 5 percent.

Both purchased electricity and natural gas were projected on the basis of their most recent trends. For natural gas the projected decline in consumption may even be too conservative. Purchased electricity is expected to continue its upward trend at a 59.3 percent rate of increase over the eight year period to 137 trillion Btu's in 1980.

V. PROPOSED TARGET DEFINITION

The proposed target was developed for SIC 26, on two separate bases, (1) in terms of fossil fuels and purchased energy and (2) in terms of total energy consumption including additional energy provided by burning self-generated waste materials. These targets are expressed in terms of percentage reduction in energy consumed per unit of production between the base year 1972 and January 1, 1980. The unit of production for the primary sector is tons of paper produced and for the secondary sector is million dollars of shipments. FEA determined from published reports what improvement in efficiency had been achieved by the industry from 1972 to the first quarter of 1976 and then developed anticipated improvements from that time forward. The first quarter of 1972 was selected to compare with the first quarter of 1976 to eliminate the possible effect of seasonal variations.

A. Component goals. Insufficient valid energy data were available to develop goals on a four-digit industry component basis. The secondary sector companies do not participate in the ongoing voluntary energy efficiency reporting program conducted by FEA/DOC in a joint undertaking. At least one existing third party trade association has extended an invitation to secondary sector companies to participate in their program which covers over 80 percent of the capacity of the primary sector. The component goals for the primary and secondary sectors are shown in Table 3.

B. Proposed two-digit gross target. A detailed study was undertaken in 32 paper mills in the primary sector which were representative of the industry. These studies provided data on the extent to which each potential conservation measure was being used or planned to be installed prior to January 1, 1980. The target support documents should be referred to in order to ascertain the impact that the selected conservation measures has on the draft target.

Table 3 below illustrates the derivation of the two-digit targets.

TABLE 3.—The two-digit targets are derived as follows: SIC-26, January 1, 1980 target

Sector I	Fossil fuel and purchased energy		Total energy (10 ⁶ Btu/ton)	Basis percent savings
	10 ⁶ Btu/ton	Percent savings		
Consumption:				
First quarter 1972	20.2	(1)	34.0	(1)
First quarter 1976	18.3	(4)	32.8	(4)
Energy reduction by first quarter 1976:				
From waste materials	0.5	2.5	-0.2	-0.4
From all other effects	1.4	6.9	1.4	4.1
Subtotal	1.9	9.4	1.2	3.5
Estimated reduction, April 1, 1976 to January 1, 1980:				
New facilities	1.3	7.1	1.3	4.0
Capital projects	1.3	7.1	1.3	4.0
Alternate operating procedures	1.0	5.5	1.0	3.0
Increased waste material use	0.8	4.4	-0.2	-0.7
Subtotal	4.2	24.1	3.4	10.3
Total sector I target		23.5		13.8
Total sector II target		12.0		12.0
SIC-26 gross target		31.4		13.6
Weighted average	Use	31.0	Use	14.0

(1) Not available.

(2) Percent.

C. *Special circumstances effect.* Special circumstances are made up of non-discretionary demands on energy consumption often represented by government mandates on oil and water pollution abatement. Pollution abatement in the pulp and paper industry calls for highly efficient methods to respond to the current and future environmental discharge requirements. Many studies are available for data on energy needs to meet pollution abatement requirements in effect up to the target date of January 1, 1980, and the following projections of energy consumption for special circumstances have been made from these studies:

	Million Btu's per ton	
	Air	Water
To meet:		
1977 requirements	0.3	0.2
X zero discharge	10.0 to 20.0	

NOTE.—X—Assuming a 25 pct. and a 63 pct. reduction in O/A water use.

The impact on the SIC-26 targets are judged to be as follows:

Percent of	Fossil fuel and purchased energy	Total energy basis
Pollution control offset	3.3	1.8
Use	3.0	2.0

Consideration of individual paper plant capacity utilization variances as an offset is a very cumbersome operation due to the inability to establish an acceptable energy value for the entire industry for variations in industry wide capacity utilization. This item will not be of any significance until January 1, 1980, and indeed it is moot if the utilization rate in the target year is equivalent to that in the base year.

D. *Proposed two-digit net target.* The net targets are developed by deducting the offsets from the gross target values which were developed earlier. Then the proposed net targets become:

Percent of	Fossil fuel and purchased energy	Total energy basis
Gross draft target	31.0	14.0
Offsets	-3.0	-2.0
Net draft targets	28.0	12.0

The target value published by FEA for the SIC 26 industry in the FEDERAL REGISTER on November 2, 1976, was the net target developed on the total energy basis.

VI. FINAL TARGET DEFINITION

A. *Comments and impact on the proposed target.* Testimony presented at the public hearing on December 9, 1976, and written comments were reviewed closely and are grouped into subject categories for more efficient response.

Several statements opposed setting the SIC 26 target on the basis of total energy consumption. Some comments suggested that the target should be based only on oil and gas consumption. FEA believes that the adoption of this recommendation would result in a target which would be based on too narrow a view of the energy consumption in the industry. Most statements recommended that the target be set on the basis of fossil fuels and purchased energy.

It should be noted that the paper industry's generation and use of waste fuel is directly related to the establishment of a meaningful target in three ways: (1) Waste materials have lower combustion efficiencies, which adversely affect overall energy efficiency by increasing total consumption; (2) substantial investment would be necessary to adequately monitor Btu, heat and moisture content of waste fuel and in the absence of such equipment it would be impractical to repeatedly estimate waste energy consumption, and (3) increased use of waste materials as fuel will directly reduce requirements for consumption of scarce energy resources, particularly oil and gas. Under the voluntary program of FEA and the Department of Commerce, target setting and reports on program progress are accomplished in terms of fossil fuels and purchased energy.

The primary waste materials of a paper mill (spent liquor, bark, and hogged fuel) may contain one or more fuel materials and therefore may have an impact on the fuel consumption of the industry. The increased use of waste as fuel will have a negative effect on energy efficiency because waste fuels have lower combustion efficiencies than fossil fuels. Because of the variety of waste material and the variability of moisture content, continual testing must be made to properly evaluate Btu value of energy from waste materials. The paper industry currently does not routinely measure Btu, heat content, and moisture content of its waste fuels, and equipment to do so is not generally installed. It would require substantial time, manpower and funds for the industry to install such equipment. It would, of course, be impossible to reestimate 1972 energy consumption using direct measurement, and comparisons with energy consumption of fuel from waste materials for subsequent years would be difficult. If only fossil fuel and purchased energy consumption are used, the data is the same for 1972 and all successive years. While consumption of energy from waste material requires increased consumption of such fuel because of its low combustion efficiency, it also results in decreased consumption of fossil fuel and purchased energy.

After reviewing the comments and support documents, FEA concluded that setting the energy improvement efficiency target on the basis of fossil fuels and purchased energy would provide the most direct contribution to conservation of scarce energy resources, and would provide the only practical basis for evaluating industry reports on energy consumption and efficiency improvement. Accordingly, the final published value establishes a target for energy efficiency improvement solely on the basis of fossil fuels and purchased energy.

Several statements cited recent capacity projections which indicate substantially lower 1980 capacity levels which would adversely affect the energy efficiency improvement potential from new facilities. The effect of the retirement of existing facilities and the installation of new, more energy efficient facilities between 1976 and 1980 was included in the evaluation of potential energy conservation for SIC 26. An average efficiency change for January 1, 1980, was projected based on estimated expansion and replacement of facilities and a 15 percent energy efficiency differential between new and old facilities. FEA has revised projected 1980 paper and paperboard capacity from 78.3 million tons to 74.0 million tons on the basis of the submitted data. FEA concludes that these revisions are reasonable in light of the estimated \$4 billion capital shortfall estimated for the 1976 to 1980 period, and the industry's adjustments to eliminate this shortfall. In addition, these revisions eliminate all capacity which might be installed during 1980 and, therefore, represent the capacity available as of January 1, 1980. Energy efficiency improvements to be achieved through replacements and expansions of capacity are, accordingly, reduced from 7.1 percent to 4.3 percent.

Some comments also suggested that the 15 percent energy efficiency differential established by FEA was excessive because of the need to phase in new and replacement equipment and facilities. FEA wishes to point out that at any point in time, including 1972 and 1980, some new facilities are in the break-in phase, and that the efficiency differential

used compares reasonably to an average 20 percent differential between U.S. and Scandinavian mills and the 10 to 15 percent estimated by an EPA study for new plants.

In other comments, the assumed capacity utilization rate of 95 percent was considered to be unrealistic when compared with past history. Reduced capacity expansion will, however, require high operating rates if projected demand is to be met and the 95 percent rate approximates the 1972 rate. Accordingly, the 95 percent operating rate was retained. Provisions will be made to recognize lower operating rates in the future because of the significant impact.

Several comments pointed out that efficiency losses due to aging of facilities should be considered in determining the 1980 target. FEA has concluded that expenditures for annual maintenance of facilities are sufficient to retain efficiency of operation.

Several statements raised the issue that the energy efficiency target failed to consider capital and manpower shortages which would impose constraints on achievement of technologically feasible energy efficiency measures. The proposed target was developed on the assumption that the capital would be raised to implement energy efficient technologies or non-discretionary requirements such as pollution control and capacity expansion needed to meet demand. No capital is estimated to be available for retrofitting energy conservation measures. In spite of the existence of capital constraints on the paper industry, some energy projects will be carried out. This is because: (a) some opportunities have sufficiently attractive returns on investment to be substituted for production oriented investments, and (b) some projects may be carried out which offer lower than normally acceptable returns, but will be required due to present or projected scarcity of fuels and energy. In consideration of the shortage of capital, the efficiency gain to be obtained from energy efficient technologies, is estimated at 2.6 percent rather than the full 7 percent which is technologically feasible. With regard to comments on manpower shortages FEA concludes that such shortages could not occur if little or no capital investments are made. Accordingly FEA concludes that no adjustment of the target will be made for manpower constraints.

Several statements noted that additional operating procedures and equipment changes will be required in advance of meeting the 1983 pollution control standards. FEA concludes that these steps will not be instituted in sufficient number before 1980 to have a significant impact on achievement of the 1980 target.

Some comments contended that the estimates of the difference in efficiency between waste and fossil fuels were not large enough. Average efficiencies based on actual experience and expert opinion were used to compute the negative effect of burning increased amounts of waste fuels, and FEA concludes that no modification of the efficiency differential is justified.

Some statements contended that the 1980 waste fuel consumption estimate was unrealistically high. After reviewing the data, FEA has revised the estimate of waste fuel consumption for 1980, and the offset for increased use of waste fuels have been adjusted downward from 0.2 million Btu's per ton to 0.14 million Btu's per ton.

B. Final Target. The following table indicates the changes made in the proposed target value and the effect of special circumstances, and is based on fossil fuels and purchased energy only:

SIC-26 paper and allied products: Gross and net energy efficiency improvement targets for January 1, 1980

	Fossil fuels and purchased energy basis		
	10 ⁶ Btu's/ton	Percent savings	Integers to use
Primary sector:			
1972 energy consumption.....	19.0	(1)	-----
Energy reduction achieved, first quarter 1972 to first quarter 1976.....	1.80	9.5	-----
Target activity, second quarter 1976 to January 1, 1980:			
Reductions due to new facilities.....	.82	4.3	-----
Reductions due to capital projects.....	.40	2.6	-----
Reduction due to alternate operating procedures.....	.08	5.2	-----
Reductions due to increased burning of waste materials.....	.36	1.9	-----
Subtotal.....	2.65	14.0	-----
Primary sector subtotal.....	4.45		-----
Primary sector gross goal.....		23.5	-----
Secondary sector gross goal.....		12.0	-----
SIC-26 Gross target.....		22.5	23.0
Offset:			
Loss in energy savings per ton for pollution control.....	-.60		-----
Resulting reduction in projected efficiency.....		-3.3	-3.0
Final net savings per ton of pulp/paper.....	3.85		-----
Final net target.....			29.0

Not available.
Percent.

A summary of the development of the SIC 26 paper and allied products industry is as follows:

	Percent
Gross Target (based on maximum energy efficiency achievable without consideration of special circumstances of conditions of the industry).....	23
Offset (required for special industry circumstances and conditions).....	3
Net target (based on maximum efficiency achievable with consideration of special circumstances and conditions).....	20

APPENDIX D: STATEMENT OF BASIS AND JUSTIFICATION FOR THE ENERGY EFFICIENCY IMPROVEMENT TARGET FOR SIC 28—CHEMICALS AND ALLIED PRODUCTS

I. Industry description and energy base. The chemicals and allied products industry, comprising Standard Industrial Classification SIC 28, consists of 28 four-digit product classifications. This major group produces basic chemicals and manufactured products using predominantly chemical processes. Companies classified in this major group produce three general classes of products: (1) Basic chemicals such as acids, alkalies, salts and organic chemicals; (2) chemical products to be used in further manufacture, such as synthetic fibers, plastics materials, dry colors, and pigments; (3) finished chemicals products to be used for ultimate consumption such as drugs, cosmetics, and soaps; or to be used as raw materials in other industries such as paints, fertilizers, and explosives. Companies that are primarily engaged in packaging, repackaging or bottling of purchased chemical products, instead of producing products, are not included in this industry group. The table below sets forth the energy consumption of the four-digit classifications of SIC 28 for the base year 1972.

SIC	Product	1972 energy consumed 10 ³ Btu	Subtotals	Percent of total energy consumed
Industrial inorganics.....			865.62	27.1
2812	Alkalies and chlorine.....	203.40		
2813	Industrial gases.....	73.03		
2816	Inorganic pigments.....	65.01		
2819	Industrial inorganic chemicals.....	494.18		
Plastics and synthetics.....			469.70	15.2
2821	Plastics materials and resins.....	159.13		
2822	Synthetic rubber.....	68.34		
2823	Cellulosic man-made fiber.....	77.65		
2824	Organic fibers, noncellulosic.....	164.58		
Drugs.....			69.21	2.2
2831	Biological products.....	2.87		
2833	Medicinals and botanicals.....	22.87		
2834	Pharmaceutical preparations.....	43.47		
Soaps, cleaners, toilet goods.....			62.00	2.0
2841	Soap and detergents.....	32.36		
2842	Polishes and sanitation goods.....	7.87		
2843	Surface active agents.....	13.32		
2844	Toilet preparations.....	8.45		
Paints.....			19.52	.6
2851	Paints and allied products.....	19.52		
Industrial organic chemicals.....			1,279.79	41.5
2861	Gum and wood chemicals.....	11.27		
2865	Cyclic crudes and intermediates.....	146.36		
2869	Industrial organic chemicals.....	1,122.16		
Agricultural chemicals.....			231.68	7.5
2873	Nitrogenous fertilizers.....	137.76		
2874	Phosphatic fertilizers.....	70.14		
2875	Fertilizers, mixing only.....	7.50		
2879	Agricultural chemicals.....	16.28		
Miscellaneous chemical products.....			119.83	3.9
2891	Adhesives and sealants.....	20.95		
2892	Explosives.....	26.58		
2893	Printing ink.....	5.50		
2895	Carbon black.....	22.48		
2899	Chemical preparations.....	44.37		
Total.....		3,087.37		100.0

The two "catch-all" categories of SIC 2819, Industrial Inorganic Chemicals and SIC 2869, Industrial Organic Chemicals consume over one-half of the total energy consumed by SIC 28. These two groups together with SIC 2812, Alkalies and Chlorine; SIC 2822, Synthetic Rubber; SIC 2873, Nitrogenous Fertilizers; SIC 2823, Cellulosic Man-made Fibers (rayons); SIC 2824, Organic Fibers, Noncellulosic (nylon, polyester, acrylic); SIC 2821, Plastics Materials and Resins; SIC 2865, Cyclic Crudes and Intermediates, Dyes, Organic Pigments, account for over 80 percent of the total energy consumed by SIC 28. These nine four-digit components were selected for analysis in depth due to their substantial impact on the aggregated two-digit industry target.

In order to demonstrate fully the extremely heterogeneous nature of this industry and to illustrate the products that consumed the quantities of energy revealed above, the following paragraphs indicate the major products or product classes that are included in each four-digit classification.

SIC 2812, Alkalies and Chlorine, includes chlorine, synthetic sodium carbonate (soda ash), sodium hydroxide (caustic soda), potassium hydroxide (caustic potash), and other alkali.

SIC 2813, Industrial Gases, including acetylene, carbon dioxide, argon, helium, hydrogen, nitrogen, oxygen, nitrous oxide, and other industrial gases.

SIC 2816, Inorganic Pigments, includes titanium pigments, white lead, zinc oxide pigments, all other white opaque pigments, chrome colors (five specified plus "other"), white extender pigments, iron oxide pigments, colored lead pigments, iron blues,

pearl essence, carbon blacks (bone and lamp only), ceramic colors, and all other color pigments.

SIC 2819, Industrial Inorganic Chemicals, N.E.C., includes inorganic acids except nitric and phosphoric, aluminum oxide, other aluminum compounds, potassium and sodium compounds, chemical catalytic preparations, reagent and high-purity grades of inorganic chemicals, bromine, calcium hypochlorite, activated carbon, hydrogen peroxide, iodine, mercury, phosphorus, sulfur, radioactive isotopes and radiation sources from non-AEC plants, and 32 specific classes of other inorganic chemicals plus "all other".

SIC 2821, Plastics Materials and Resins, includes more than 40 specific categories of high polymers, with hundreds of formula and process variations. The major plastics and resins materials include polyethylene (high-, medium-, and low-density), polypropylene, ABS (acrylonitrile-butadienestyrene), PVC (polyvinyl chloride), polystyrene, and phenolics.

SIC 2822, Synthetic Rubber, includes SBR (styrene-butadiene rubber), polybutadiene, butyl, polyisoprene, EPT (ethylene-propylene terpolymer), nitrile (butadiene-acrylonitrile rubber), neoprene, chlorosulfonated polyethylene, polyisobutylene, and acrylic, fluoro, polysulfide, and silicone elastomers. Polyurethane rubbers are not included.

SIC 2823, Cellulosic Man-made Fiber, includes yarn, staple, and tow products of acetate, viscose rayon, and cuprammonium rayon.

SIC 2824, Organic Fibers, Noncellulosic, includes filament yarn, textile monofilaments, staple, and tow made of nylon (polyamide),

acrylic and modacrylic, polyester, polyolefin, saran, spandex, anidex, vinyon, fluorocarbon, and others. Glass fibers are excluded.

SIC 2831, Biological Products, includes blood and blood derivatives, vaccines, antigens, antitoxins, toxoids, toxins, diagnostic substances, and other biologics for human use and vaccines, viruses, bacterins, serums, antitoxines, toxoids, diagnostics, and other biologics for veterinary use.

SIC 2833, Medicinals and Botanicals includes antibiotics, botanical drugs, naturally occurring vitamins, drugs of animal origin and many other organic and inorganic drugs sold in bulk to other establishments.

SIC 2834, Pharmaceutical Preparations, includes both ethical (prescription) and proprietary (over-the-counter) pharmaceutical preparations that are ready for human or veterinary use. Included are many types of preparations each designed to act on one of nine broad categories of human ailments or for veterinary use. A few examples of the types of preparations are hormones, analgesics, antipyretics, anticonvulsants, tranquilizers, amphetamines, and barbiturates.

SIC 2841, Soap and Other Detergents, includes the broad categories of alkaline detergents, soaps, synthetic organic detergents, heavy-duty phosphate-based detergents, heavy-duty phosphate-free detergents, light-duty detergents, and presoaks. They may be in chip, flake, granulated, powdered, spray-dried, liquid, paste, or bar form, and are classified separately for household and non-household use.

SIC 2842, Polishes and Sanitation Goods, includes household bleaches; specialty cleaners for windows, ovens, toilet bowls, wallpaper and walls, rugs and upholstery; disinfectants, household ammonia; nonpersonal deodorants; dry cleaning preparations; household laundry and ironing aids; polishes for automobiles, furniture, floors, shoes, and leather; and other polishes and sanitation goods.

SIC 2843, Surface Active Agents, includes assistants and finishes for textiles and leather and bulk production of amphoteric, anionic, cationic, and nonionic surface active agents used chiefly as detergents, dispersing agents, emulsifiers, foaming agents, or wetting agents.

SIC 2844, Toilet Preparations, includes shaving preparations, perfumes, toilet water, colognes, hair preparations (including shampoos), dentifrices, creams, lotions, oils, lipstick, rouge, eye preparations, personal deodorants, manicuring preparations, powder, bath salts, and other cosmetics and toiletries.

SIC 2851, Paints and Allied Products, includes many trade-sale products marketed as exterior oil-type and water-type paints, interior oil-type and water-type paints, and lacquers, industrial lacquers and other paints, putty, and miscellaneous paint products. Most of these products are specially formulated for specific applications.

SIC 2861, Gum and Wood Chemicals, includes gum and wood turpentine and rosin, pine oil, charcoal, natural acetic acid and methanol, natural tanning and dyeing materials and chrome tanning mixture, tall oil, and other gum and wood chemicals.

SIC 2865, Cyclic Crudes and Intermediates, includes benzene, toluene, and xylene derived from coal-tar distillation, naphthalene, anthracene, pyridine, carbazole, derivatives of these chemicals, other cyclic intermediates, synthetic organic dyes, synthetic organic pigments, and cyclic (coal-tar) crude products such as light oils, coal-tar acids, creosote oil, and tar.

SIC 2869, Industrial Organic Chemicals, N.E.C., includes a diversity of products such as acetic, chloroacetic, adipic, formic, oxalic, tartaric, and other organic acids and their

metal salts; chloral, formaldehyde, methylamine; such chlorinated solvents as carbon tetrachloride, perchloroethylene and trichloroethylene; many polyhydric alcohols; many synthetic perfume and flavoring materials, including saccharine and vanillin; cyclic and acyclic rubber processing chemicals; many plasticizers, synthetic tanning agents; and many other organic chemicals.

SIC 2873, Nitrogenous Fertilizers, includes anhydrous ammonia, nitric acid, ammonium nitrate, ammonium sulfate, ammonium chloride, urea, nitrogen solutions, and fertilizer materials of organic origin.

SIC 2874, Phosphatic Fertilizers, includes phosphoric acid (from phosphorus and from phosphate rock), normal, enriched, and concentrated superphosphates, ammonium phosphates, nitrophosphates, calcium metaphosphates, defluorinated superphosphate and phosphate rock (feed grade), and other phosphatic fertilizer materials.

SIC 2875, Fertilizers, Mixing Only, includes fertilizers mixed from purchased fertilizer materials. Complete and incomplete mixtures are both shipped in both dry and liquid forms.

SIC 2879, Agricultural Chemicals, N.E.C., includes agricultural insecticidal preparations, such as those containing arsenic compounds, benzene hexachloride, DDT, chlorinated hydrocarbon pesticides, organic phosphates, botanical products, and other insecticidal materials; agricultural herbicidal preparations containing such materials as sodium arsenite, sodium chlorate, 2, 4-D, 5-T, defoliant, desiccants, plant-growth regulators, carbamates, and other herbicides; agricultural fungicides; soil fumigants; and household and industrial insecticides, repellents, attractants, rodenticides, fumigants, and others.

SIC 2891, Adhesives and Sealants, includes animal glues, protein adhesives, vegetable adhesives, asphaltic and coal-tar adhesives, and other natural adhesives based on gums, shellac, silicates, lacquers, and oleoresins. Synthetic adhesives include epoxies, phenolics, ureas, vinyls, cellulose, acrylics, polyesters, polyamides, and others. Also included are hot-melt adhesives, adhesive films, rubber cement, and sealants and caulking compounds based on many natural and synthetic polymers.

SIC 2892, Explosives, includes such explosives as amatol, azides, nitrates, carbohydrazide, cordite, mercury fulminate, nitroglycerin, pentolites, picric acid, RDX, tetryl, and TNT and DNT. Such auxiliaries as blasting caps, fuse powder, fuses, and well-shooting torpedoes are included. Products of government owned, contractor-operated plants are not included.

SIC 2893, Printing Ink, includes letterpress, lithographic, and offset inks in black and color for news, publication, packaging, and other purposes; gravure inks for packaging, publication and other gravure inks for packaging, publication, and other gravure uses; flexographic inks for packaging (paper, board, film, and foil) and other flexographic uses; and special inks for textile, screen stencil, and other printing.

SIC 2895, Carbon Black, includes carbon black made by the furnace and channel processes.

SIC 2899, Chemical preparations, N.E.C., includes evaporated salt, saturated and unsaturated fatty acids, tall oil, fatty acids, gelatin (except ready-to-eat desserts), essential oils, fireworks and pyrotechnics, automotive chemicals, concrete curing agents, drilling mud materials, foundry chemicals, household tints and dyes, insulation products, metal-treating compounds, oil-treating compounds, rosin and other sizes, writing and stamp pad inks, water-treating compounds, water-proofing compounds, embalming chemicals, vitreous enamel, plating com-

pounds, lighter fluids, waxes (except pure petroleum waxes), and other industrial chemical specialties.

Energy sources for the base year 1972 for SIC 28, chemicals and allied products, were as follows:

Fuel	BtuX10 ¹⁰ quantity	Percent
Coal	526.6	17.1
Coke	5.0	.2
Distillate fuel oil	93.8	3.0
Residual fuel oil	131.8	4.3
Natural gas	1,648.0	53.3
Other fuels	293.2	9.5
Purchased electricity	377.2	12.2
Self generated electricity	11.7	.4
Total energy consumed (all fuels)	3,087.3	100.0

II. CRITERIA FOR APPLICABILITY OF POTENTIAL CONSERVATION MEASURES

The data on potential conservation measures were developed from several major sources, such as: (1) Technical literature on advancing technology, (2) calculations of energy consumption in new processes, (3) discussions with knowledgeable specialists in the chemicals industry, and (4) discussions with engineering construction firms specializing in new plant construction. These sources also provided estimates of increases in energy consumption that would result from environmental control systems, occupational health and safety control systems, shifts in product mix, changes in available raw materials, and other special circumstances.

Practices for making technical and economic evaluations differ from one four-digit classification to another and from one company to another within a classification. Expert judgment was required to assess actual industry practice to determine the proper impact of each conservation option on the resulting component goal.

The energy conservation options that were considered may be broadly classified as follows:

1. Housekeeping and maintenance.
2. Process control and energy balancing.
3. Equipment modification or replacement in present processes.
4. Building of new plants with present or new technology.

A. *Technological feasibility.* The following criteria were used for screening all four-digit classifications for acceptability of potential conservation measures. These criteria were augmented by specific considerations applicable to the nine four-digit classifications which were studied in depth.

1. Can the technology be implemented by January 1, 1980?
2. Had the technology been demonstrated suitably?
3. Can the technology be applied as retrofit?
4. Can retrofit be accomplished without excessive shut-down?
5. Is the technology size limiting?
6. Is the measure consistent with the necessity to reduce use of natural gas?
7. Is the technology consistent with existing plans of industry?

B. *Economic practicability.* The economic screening operation was based on the following criteria:

1. Estimated return on investment: (a) For energy conserving equipment and plant modification; (b) for competing investment opportunities in non-energy conserving items.
2. Markets and marketing: (a) Company position; (b) growth of market.
3. Age of plant and process.
4. Technical obsolescence.
5. Operating rate.

6. Situational criteria: (a) Downtime involved during construction; (b) space required for proposed equipment; (c) manpower available for engineering and construction.

III. CAPITAL SPENDING DECISIONS AND FINANCING CONSTRAINTS

A. *Required return on investments.* Since all conservation investments for the purpose of achieving targets by January 1, 1980, are short-term investments, they must compete with existing short-term competing investment opportunities that are currently returning at least 15 percent after taxes in the heavy chemicals, plastics, and ammonia industries.

The heterogeneous nature of the chemicals industry requires a company by company analysis to determine the hurdle rates that technologically feasible conservation measures must exceed on calculated rates of return on investment to be able to compete with other investment opportunities. Due to the increasing costs of energy, most energy related investment opportunities have lower risks attached to them and can generally compete with higher risk investment opportunities.

B. *Capital spending priorities.* Almost all large companies have well defined criteria to guide investment decisions. They range from simple payout estimates to sophisticated discounted cash flow analysis depending upon the amount, duration, and either specified or implied risks of making a profit from the expenditure.

After allocation of available capital to mandatory investments such as air and water pollution control, plant maintenance, conversion to fuels other than natural gas, strategic investments, and occupational safety and health requirements, each company has its own criteria for allocation of remaining funds, which may be due at least to some of the following differences among companies in SIC 28:

1. Differing patterns of product/process integration.
2. Differences in proprietary processes.
3. Differences in raw materials and processing for the same product.
4. Differing geographic locations relative to markets.
5. Differing fuels available and costs.
6. Differing state regulations on environment, energy, occupational health and safety.
7. Differing patterns of integration for energy conservation.

Because of these differences and the lack of firm data on the decision process, the chemical and allied products industry does not lend itself to any easy economic analysis of how energy prices and applicable hurdle rates effect estimated goals at the four-digit level.

Most companies permit energy related projects to use reasonable forecasts of future energy prices. Project life, however, is either explicitly or intuitively kept relatively short to reduce risk. This short life, or course, is normal practice for improvements to old plants, but seems inappropriate for application to newer plants. On the other hand many companies permit slightly longer payout periods, or lower return on investment than normal for low investment energy-related projects. However, large investments must meet the same criteria as any other corporate investment.

All companies face the high costs of borrowed funds, the uncertainties of energy price forecasts, and the uncertainty of public policy and federal and local regulations as they apply to the duration of benefits to be obtained by energy conservation program. Each company's economic evaluation takes these into account, but in general large

chemical companies assume a 5 or in some cases a 10 year project life for other than new plants.

IV. POTENTIAL ENERGY CONSERVATION MEASURES AND EFFORTS TO REDUCE USE OF PETROLEUM PRODUCTS AND NATURAL GAS

A. *Potential measures identified.* The target support documents which are available for examination at the locations and times specified in the body of this notice contain details of the consideration of potential energy conservation measures. This appendix will discuss only the major aspects of the assessment.

All four-digit classifications were evaluated for application of energy conservation activities in the following categories:

1. Reducing excess air in firing steam boilers and process heaters.
2. Increasing maintenance (traps and tanks) and insulation on steam systems.
3. Increasing recovery of waste heat from process steam and stack gases.
4. Recovering wastes for fuel values.
5. Optimizing process controls with respect to energy saving at higher energy costs.

In addition the nine four-digit classifications that consume over 80 percent of the energy used in the chemical and allied products industry were analyzed in greater depth.

Major potential conservation opportunities were identified in the following nine components. A capsulized form of the findings is included but a more informative treatment is contained in the target support documents.

1. *SIC 2812, alkalies and chlorine.* Energy savings can be achieved in new plants, and in the use of metal anodes, hydrogen recovery, modified diaphragms, expandable electrodes, changes in cell geometry, additional stages in caustic evaporators, and combined steam-electric generators. Most plants now operating on natural gas have installed standby facilities for use of liquid fuels. Since most plants are on the Gulf Coasts, the shortage and high cost of coal preclude its use.

2. *SIC 2819, industrial inorganic chemicals.* The heterogeneous mix of chemicals in this group is produced by simple and unsophisticated processes. The newest technology is likely to be employed only in new plant construction. Improved housekeeping and increased use of waste energy emerge as the most feasible conservation measures.

3. *SIC 2821, plastic materials, synthetic resins, and non-vulcanizable elastomers.* Converting from solution processes to bulk polymerization, increasing the conversion of monomer to polymer; and replacing slurry or solution processes for manufacture of high-density polyethylene with newer gas-phase polymerization are the major measures for conservation. Housekeeping improvements, systems optimization, increased insulation of piping and buildings, reuse of hot water, improved solvent recovery, revised drying methods can also result in energy savings.

4. *SIC 2822, synthetic rubber (vulcanizable elastomers).* Using emulsion processes instead of current solution processes for production of SBR (styrene-butadiene rubber) which accounts for about 62 percent of the volume of products in this component is a major conservation measure. Additional savings are achievable through the use of special catalysts and new solvents.

5. *SIC 2823, cellulosic man-made fibers.* Conservation measures include improved housekeeping, better planning and scheduling. Since a significant decrease in the out-

put of this component is expected by 1980, no new plants are planned, nor is much development of new processes expected.

6. *SIC 2823, synthetic fibers, except cellulosic.* While existing plants can use improved housekeeping, better planning and scheduling, new plants can show savings in energy consumption of up to about 30 percent with better layout, better design more efficient process equipment, better waste heat recovery, pressure let-down turbines, and balancing of high and low pressure steam mains.

7. *SIC 2865, cyclic (coal tar) crudes, and cyclic intermediates, dyes, and organic pigments and toners.* Conservation measures include use of improved housekeeping, engineering improvements, and major process restructuring or introduction of new technology. Switching from natural gas to liquid or solid fuels represents an economic penalty, due to lower firing efficiency but does not significantly affect energy usage. Most firms are conditioned to and are preparing to switch to liquid fuels. No company interviewed is switching to solid fuel.

8. *SIC 2869, industrial organic chemicals, not elsewhere classified.* Conservation efforts should include housekeeping, upgraded efficiency of boiler houses and steam systems, better maintenance, and shutting down equipment instead of idling. Pressure let-down energy recovery measures, recovery and use of off-gases containing usable energy content, improved heat recovery through heat exchangers, improved process control instrumentation, and improved solvent recovery systems were also identified as conservation measures.

9. *SIC 2873, nitrogenous fertilizers.* New ammonia plant designs which operate at a lower pressure, more efficient compressors, more complete recovery of waste heat and use of more efficient refrigeration circuit are major potential conservation measures. Older ammonia plants can recover heat from stack gases of the reformer furnaces, and also recover hydrogen from purge gas by cryogenic techniques. Since production of ammonia consumes 98 percent of the total energy in this component industry, conservation measures affecting ammonia plants are crucial.

B. *Industry efforts to reduce use of petroleum products and natural gas.* The chemical and allied products industry has recognized the need for substituting liquid fuels wherever possible for natural gas and in most companies this is under way. On the basis of cost there seems to be little advantage for using new intrastate gas instead of a liquid fuel, but certain advantages still make natural gas the more attractive fuel, mainly its clean burning characteristics. However, most companies in the chemical industry who were dependent on natural gas have installed or are installing facilities for alternative fuels, primarily liquid petroleum products. Even though a few companies have announced plans for converting to coal, few such conversions can be expected before January 1, 1980.

V. PROPOSED TARGET DEFINITION

A. *Component goals.* There was insufficient valid energy consumption data available on this industry to complete development of the effect of special circumstances prior to the publication of proposed targets on November 2, 1976. Work on this industry continued following the publication. As a result only the net target was available for publication and was announced on November 2, 1976, in the FEDERAL REGISTER. This was based on the following net component goals.

SIC-28, Chemicals and allied products; initial energy efficiency goals by industry classification

SIC	Industry	Net goals (percent)
2812	Alkalies and chlorine.....	8.8
2813	Industrial gases.....	8.1
2816	Inorganic pigments.....	8.4
2819	Industrial inorganic chemicals, n.e.c.....	4.1
2821	Plastics, synthetic resins, etc.....	17.9
2822	Synthetic rubber.....	24.8
2823	Cellulosic man-made fibers.....	10.9
2824	Synthetic organic fibers, ex cellulosic.....	22.7
2831	Biological products—NA.....	19.9
2833	Medicinal chemicals and botanicals—NA.....	15.2
2834	Pharmaceutical preparations—NA.....	13.7
2841	Soap, detergents, etc.....	12.1
2842	Specialty, cleaning, polishing, sanitation.....	14.5
2843	Surface active agents, etc.....	11.4
2844	Perfumes, cosmetics, etc.....	10.1
2851	Paints, varnishes, lacquers, etc.....	18.9
2861	Gum and wood chemicals.....	17.0
2865	Cyclic (coal tar) crudes, etc.....	15.1
2869	Industrial organic chemicals, n.e.c.....	23.2
2873	Nitrogenous fertilizers.....	22.4
2874	Phosphate fertilizers.....	15.2
2875	Fertilizers, mixing only.....	10.0
2879	Pesticides and agricultural chemicals, n.e.c.....	9.5
2891	Adhesives and sealants.....	29.4
2892	Explosives.....	18.6
2893	Printing ink.....	16.0
2895	Carbon black.....	16.0
2899	Chemicals and chemical preparation, n.e.c.....	16.0
	Proposed SIC-28 net target.....	16.0

B. *Proposed two-digit net target.* Energy usage in the target year included usage of energy to meet special circumstances when the target was originally published. The energy use was determined for the proposed net target by analyzing each four-digit classification against all energy conservation measures screened for technological feasibility and economic practicability. These component goals were then aggregated into the two-digit industry target using the component total energy consumptions as weighting factors. The production increase between 1972 and the target year was then utilized to calculate the resulting total energy use in 1980.

C. *Special circumstances effect.* Since the impact of special circumstances was not separately identified in setting the proposed target, only the net target was published.

VI. FINAL TARGET DEFINITION

A. *Comments and impact on proposed target.* Testimony given at the public hearing, held on December 7, 1976, in Washington, D.C., and written comments raised several issues which have been considered before final target for SIC 28 were established.

Some comments expressed concern about the reliability of estimates underlying the base year 1973, the improvement estimated, for January 1, 1980, and the percentage goals derived for specific component industries. FEA has carefully reviewed the data available to it in the light of these concerns and concludes that no new data were offered which would change the SIC-28 industry target as proposed.

Nearly all commenters noted that if changes in the underlying data occur before January 1, 1980, the target for the industry should be modified. While there is no disputing this concern, it should be noted that Section 374 of the EPCA provides a mechanism for the subsequent modification of establishing targets.

Some comments noted either directly or by implication that both available capital

and available manpower could limit progress in energy conservation. While FEA recognizes the relevance of such limiting factors, it believes that a realistic assessment of what could be achieved by industrial establishments has been made. In particular FEA recognizes that the priority position of energy-conservation investments relative to other uses of capital may differ from company to company as well as over time with an individual company.

Industrial commenters seem uniformly concerned that the component goals which would be aggregated as an industry-wide target would be applied indiscriminately to their own industries or companies. The FEA is only charged with setting a voluntary target for an SIC code industry. The component goals are not directly applicable to either component industries or individual companies.

B. Final targets. After the proposed net target was published for comment, FEA

initiated a further review of the underlying data with particular regard to the impact of special circumstances. As a result of this review the initial estimates of energy usage for the nine major four-digit classifications were modified and the estimated energy consumption required to meet special circumstances was determined. Special circumstances applicable to SIC 28 were found to include the following:

1. Energy consumption required by measures to comply with mandated environmental and occupational safety and health regulations.

2. Energy consumption related to non-discretionary changes in the quality of raw materials.

3. Energy consumption related to changes in product mix caused by outside sources.

The following table illustrates the data on 1980 energy usage and the allocation of energy for special circumstances for the four-digit classifications.

Final estimates of energy consumption by industry component

Class	Name	1980 energy usage		Energy required by special circumstances (10 ⁹ Btu's)
		With 1972 technology (10 ⁹ Btu's)	With 1980 technology gross (10 ⁹ Btu's)	
2812	Alkalies and chlorine	264.0	235.0	7
2813	Industrial gases	111.0	102.0	<1
2814	Inorganic pigments	92.0	90.0	8
2819	Industrial inorganic chemicals, n.e.c.	581.0	549.0	20
2821	Plastics, synthetic resins, etc.	255.0	210.0	2
2822	Synthetic rubber	75.5	62.5	3
2823	Cellulosic man-made fibers	58.0	50.7	1
2824	Synthetic organic fibers, ex cellulose	273.0	216.0	5
283	Pharmaceuticals	147.0	111.0	7
2841	Soap, detergents, etc.	49.7	49.2	<1
2842	Specialty, cleaning, polishing, sanitation	14.3	11.9	<1
2843	Surface active agents, etc.	17.0	14.5	<1
2844	Perfumes, cosmetics, etc.	11.9	10.6	<1
2851	Paints, varnishes, lacquers, etc.	29.6	25.7	<1
2861	Gum and wood chemicals	9.6	8.5	<1
2865	Cyclic (coal tar) crudes, etc.	294.0	235.0	5
2869	Industrial organic chemicals, n.e.c.	1,674.0	1,383.0	24
2873	Nitrogenous fertilizers	383.0	303.0	23
2874	Phosphatic fertilizers	167.0	128.0	9
2875	Fertilizers, mixing only	15.7	11.6	1
2879	Pesticides and agricultural chemical, n.e.c.	52.4	40.7	4
2891	Adhesives and sealants	17.0	14.3	1
2892	Explosives	69.2	45.8	2
2893	Printing ink	3.3	2.8	<1
2895	Carbon black	63.4	37.0	2
2899	Chemicals and chemical preparation, n.e.c.	68.2	54.1	2
Totals (rounded)		4,800.0	3,990.0	130

SIC-28, chemicals and allied products—initial and revised energy efficiency goals by industry and subclass

Class	SIC component name	Initial goal, G _s ¹ (percent)		Revised goals (percent) ¹	
		G _s	G _v	G _o	
2812	Alkalies and chlorine	8.8	8.4	11.1	
2813	Industrial gases	8.1	8.2	8.9	
2814	Inorganic pigments	8.4	7.1	8.3	
2819	Industrial inorganic chemicals, not elsewhere classified	4.1	2.2	5.5	
2821	Plastics, synthetic resins, etc.	17.9	16.7	17.7	
2822	Synthetic rubber	24.3	12.8	17.2	
2823	Cellulosic man-made fibers	10.8	10.9	12.6	
2824	Synthetic organic fibers, ex cellulose	22.7	19.1	20.7	
283	Biological products	(9)			
2833	Medicinal chemicals and botanicals	(9)			
2834	Pharmaceutical preparations	(9)			
2841	Soap, detergents, etc.	19.9	20.0	24.7	
2842	Specialty, cleaning, polishing, sanitation	15.3	15.0	19.1	
2843	Surface active agents, etc.	13.7	14.0	16.8	
2844	Perfumes, cosmetics, etc.	13.3	13.0	14.7	
2845	Paints, varnishes, lacquers, etc.	14.5	10.0	10.9	
2851	Gum and wood chemicals	11.6	10.8	13.2	
2861	Cyclic (coal tar) crudes, etc.	10.1	10.4	11.4	
2865	Industrial organic chemicals, not elsewhere classified	18.9	15.4	20.1	
2869	Nitrogenous fertilizers	17.0	15.9	17.4	
2873	Phosphatic fertilizers	15.1	15.0	20.9	
2874	Fertilizers, mixing only	18.2	18.0	23.3	
2875	Pesticides and agricultural chemical, not elsewhere classified	22.4	22.3	26.1	
2879	Adhesives and sealants	15.2	14.9	22.3	
2891	Explosives	10.0	9.4	16.0	
2892	Printing ink	30.2	30.3	33.8	
2893	Carbon black	9.5	9.1	15.2	
2895	Chemicals and chemical preparation, not elsewhere classified	39.4	38.5	41.6	
2899	Chemicals and chemical preparation, not elsewhere classified	18.6	17.9	20.7	
Total 28		15.6	14.1	16.8	

¹ G_s—a net goal which includes energy required for environmental systems and changes in production mix; G_v—gross goal with no consideration for offsetting circumstances.

² Estimates that were modified by additional estimates and data.

³ Estimates that had been modified by additional data and analyses.

⁴ Not elsewhere classified.

Annualized rate of energy usage by SIC 28 on Jan. 1, 1980 (in quads) 10⁹ Btu

With 1972 energy usage and management	4.80
With maximum feasible energy (gross) conservation (but not consideration of special circumstances)	3.99
For energy conservation (offset), including energy requirements for environmental systems, changes in product mix, etc.	13
With maximum feasible energy (net) conservation, including energy requirements for environmental systems changes in product mix, etc.	4.12

The following is the energy efficiency improvement target set by FEA for SIC 28:

Percent	
Gross target (based on maximum energy efficiency achievable without consideration of special circumstances or conditions of the industry)	17
Offset (required for special industry circumstances and conditions)	3
Net target (based on maximum energy efficiency achievable with consideration of special circumstances and conditions)	14

APPENDIX E: STATEMENT OF BASIS AND JUSTIFICATION FOR THE ENERGY EFFICIENCY IMPROVEMENT TARGET FOR SIC 29—PETROLEUM AND COAL PRODUCTS

I. INDUSTRY DESCRIPTION AND ENERGY BASE

The petroleum and coal products industry is made up of companies engaged in refining petroleum, manufacturing paving and roofing materials, and compounding lubricating oils and greases from purchased materials. This industry is identified as Standard Industrial Classification (SIC) 29. The industry may be further divided into five four-digit SIC product classifications which are listed below with the figures on energy consumption by each classification for the 1972 base year:

SIC	Industry	1972 energy consumed of total 10 ⁹ Btu's	Percent of total
2911	Petroleum refinery	2,934.30	98.0
2951	Paving mix and blocks	25.97	.9
2952	Asphalt felts and coatings	19.29	.6
2992	Lubricating oils and greases	5.46	.2
2999	Products of petroleum and coal	7.50	.3
Totals		2,992.52	100.0

The following paragraphs indicate the significant products that are included in each of the SIC categories.

SIC 2911, petroleum refining, comprises establishments primarily engaged in producing gasoline, kerosene, distillate fuel oils, residual fuel oils, lubricants, and other products from crude petroleum and its fractionation products by use of straight distillation of crude oil, redistillation of intermediate products so produced, plus further cracking of heavy molecules and by other processes.

SIC 2951, paving mixtures and blocks, comprises establishments primarily engaged in manufacturing asphalt and tar paving mixtures, and paving blocks made of asphalt, creosoted wood, and various compositions of asphalt or tar with other materials.

SIC 2952, asphalt felts and coatings, comprises industries engaged in manufacturing

asphalt and other saturated felts in roll or shingle form, either smooth or faced with grit, and in manufacturing roofing cements and coatings.

SIC 2992, lubricating oils and greases, comprises establishments engaged in blending, compounding, and refining lubricating oils and greases from purchased mineral, animal, and vegetable materials. This component ships about 20 percent of all lubricating oils and greases and the balance essentially is shipped by the SIC 2911 petroleum refining component.

SIC 2999, petroleum and coal products, not elsewhere classified, comprises establishments manufacturing fuel briquettes, boules, packaged fuel, powdered fuel, and other similar products. The largest element is calcined petroleum coke used for producing industrial electrodes for steel and aluminum producers.

Because it accounts for 98 percent of energy consumption, the petroleum refining component (SIC 2911) is the primary focus for potential energy conservation within the petroleum and coal products industry. Energy sources for the petroleum refining component, SIC 2911 in 1972 were as follows:

Source	Quantity	Percent of total Btu's
Distillate fuel oil.....	112.25	0.90
Residual fuel oil.....	108.85	8.60
Liquefied petroleum gas.....	136.76	1.85
Natural gas.....	2,851.30	36.80
Refinery gas.....	2,886.30	35.84
Refinery coke.....	30.77	11.62
Coal.....	2.29	.25
Electricity.....	41.95	2.65
Purchased steam.....	92.79	1.40
Totals.....	2,904.3	100.00

¹ 1,000 bbl/d.

² 1,000,000 standard ft³/d.

³ Short tons per day.

⁴ 1,000,000 kWh/d.

⁵ Times 10³ Btu's.

II. CRITERIA FOR APPLICABILITY OF POTENTIAL CONSERVATION MEASURES

A. *Technological feasibility.* Each potential conservation measure was first evaluated according to the following criteria to determine if it was technologically feasible:

1. Has the measure been demonstrated in newly designed plants?
2. Has the measure been demonstrated in retrofit installations?
3. Is the technology still in development with no prospect for use before January 1, 1980?
4. Are there any technical limitations related to size of plant?
5. Does industry accept the measure as fully demonstrated?
6. Does the potential measure satisfy environmental requirements?

Those potential measures which satisfied these initial criteria were then measured against the following time constraints:

1. What is the total lead time required for installation and operation?
2. What shut-down time is required in existing plants for retrofit installation or tie-in?
3. What resources in special materials and manpower are required?
4. Is the measure consistent with plans of the industry to conserve energy?
5. Is the measure consistent with the possibility of curtailment of natural gas?

B. *Economic practicability.* Each measure that satisfied the above criteria was then evaluated according to the following economic criteria:

- (a) How much energy would be investment save?
- (b) What is the value of the energy saved?
- (c) What non-energy benefits and cost occur?

(d) How large an investment is required including all retrofit costs?

(e) What are the associated risks?

(f) Will the rates of return vary from one installation to another?

Measures that passed screening requirements were then used to determine the industry target.

III. CAPITAL SPENDING DECISIONS AND FINANCING CONSTRAINTS

A. *Required return on investments.* Insufficient capital in the petroleum and coal products industry is available for all investments with risk adjusted rates of return above the industry's long-term cost of capital. Energy conservation investments must, therefore, compete with other investment opportunities for a limited amount of available discretionary capital. Conservation investment opportunities, for the short-term target of January 1, 1980, must compete with capital investment having an after taxes return of about 20 percent (hurdle rate). Small and undiversified refiners report even higher hurdle rates. While long-term investment returns may be based on the long-term average cost of capital within the industry, short-term investments must insure higher rates of return to be attractive as discretionary investments.

B. *Capital spending priorities.* In addition to the insufficient supply of capital within the petroleum and coal industry for discretionary investment, higher priorities for investment are often assigned to projects other than energy conservation, such as the following:

1. *Plant maintenance.* The return on plant maintenance is equal to the return on the entire plant but some maintenance replacements can be made with more efficient components.

2. *Conversion.* Shortage of natural gas have raised the priority of conversion installations to a very high level.

3. *Refinery capacity expansion.* Expansion in refinery capacity can be a very attractive investment on existing sites. The limited number of sites available for expansion also make such expansions attractive.

4. *Project completion.* The return on investments on projects already started can be viewed as including the returns on money already spent on such projects. Large cost escalations on existing projects often preempt funds desired for other uses.

5. *Government regulations.* Government regulations mandate expenditures for lead phaseout and pollution control.

6. *Sour crudes.* The increasing necessity of using crude with higher sulfur content mandates significant expenditures in refinery desulfurization equipment.

7. *Strategic investments.* Where timing is essential to achieve the expected return, funds for energy conservation may be preempted.

VI. ASSESSMENT OF POTENTIAL ENERGY CONSERVATION MEASURES AND EFFORTS TO REDUCE USE OF PETROLEUM PRODUCTS AND NATURAL GAS

This appendix will only discuss the major aspects of the assessment of potential energy conservation measures. A detailed treatment of all the potential measures which were considered is given in the target support documents which are available for examination at locations and times specified in the body of this notice.

A. *Potential measures identified.*—SIC 2911, petroleum refining. Sixteen basic categories of potential conservation measures were identified for the petroleum refining industry. Within these categories, approximately 90 specific measures were considered for technological feasibility first and subsequently for economic practicability as explained earlier. The basic categories are listed below:

1. Improvement in process heater efficiencies.
2. Improvement in boiler efficiency.
3. Steam system improvements.
4. Heat exchanger applications.
5. Air coolers.
6. Insulation.
7. Improvement in fractionation efficiency.
8. Improvement in pump and compressor efficiency.

9. Vacuum system improvements.
10. Pressure energy recovery from process streams.
11. Instrumentation and computer control.
12. Process heat integration.
13. Miscellaneous process developments and modified operating techniques.
14. Refinery loss control.
15. Improved waste heat recovery.
16. Housekeeping measures.

SIC 2951, paving mixtures and blocks. Nine basic categories of potential conservation measures were identified for the paving mixtures and blocks component:

1. Reduced moisture content of aggregate.
2. Improved efficiency of aggregate heating and drying.
3. Reduction in mixing temperatures.
4. Reduction in the use of diesel oil as a truck bed release agent.
5. Reduction in the use of cutbacks.
6. Use of coal to fire dryers.
7. Waste heat recovery.
8. Mix recycling.
9. General housekeeping and loss control.

SIC 2952, asphalt felts and coats. Four major potential measures were identified for the asphalt felts and coats component:

1. General housekeeping.
2. Improved furnace combustion control.
4. Low-energy content fume control.

SIC 2992, lubricating oils and greases. Four major potential measures were identified as follows for lubricating oils and greases component:

1. General housekeeping.
2. Heat recovery projects.
3. Better oil/sludge separation.
4. New process techniques.

Several additional measures were identified for lubricating oils and greases compounding:

1. General housekeeping.
2. Insulation of tanks and buildings.
3. Improved kettle designs.
4. Improved heat recovery.

SIC 2999, miscellaneous products of petroleum and coal. Since this is a "catchall" category covering many products, attention was focused on the major activity which is the manufacture of calcined petroleum coke. Four major measures were analyzed for this component:

1. Better control of combustion and general housekeeping.
2. Recycle of fines to improve gas emissivity.
3. Process modifications.
4. Waste heat recovery.

B. *Efforts to reduce consumption of petroleum products and natural gas.* Natural gas curtailments are already a major factor in some geographic areas, and risks of curtailment have encouraged early investment in oil-fired capability in the petroleum industry. Some refining companies have indicated that their use of purchased gas could be ended by 1980. It is estimated that about 60 percent of the refining industry will have oil firing capability by 1980 compared to about 20 percent in 1972.

Conversion from natural gas has several important consequences for the refining industry. First, there is a loss of energy efficiency of 3 to 5 percent as a result of changing to less efficient converted units. In addition where low cost natural gas contracts are not met because of allocation quotas, energy prices will rise dramatically due to

use of standby fuels. Conversion installations compete for scarce capital resources with energy conservation proposals. However, unit downtime for conversion installations allows time for conservation installations also without any incremental loss of production. Conversion of oil- or gas-fueled process units to coal fuel is presently considered impractical because of the relatively small sizes of process units which make coal firing impractical and also because most processes used in petroleum refining require more precise temperature control than it is possible to achieve with coal fired units.

V. PROPOSED TARGET DEFINITION

A. *Component goals.* The detailed evaluation of the best available information resulted in the following gross energy efficiency improvement goals for each of the four-digit classifications in SIC 29:

SIC	Component goal (percent)
2911 Petroleum refining.....	19.4
2951 Paving mixtures and blocks..	47.0

Gross target development

	SIC No.					Total
	2911	2951	2952	2992	2999	
A-base year energy use in 10 ¹² Btu.....	2,934.3	25.97	19.29	5.46	7.5	2,992
B-component goals.....	19.4	47.0	25.0	25.0	25.5	Tg
A times B.....	56,925	1,229	482	136	191	58,954

¹ Tg = gross energy improvement target = $\frac{58,954}{2992} = 19.7$ pct.; use 20.0 pct.

C. *Special circumstances effect.* The refining industry represented by SIC 2911 was fully evaluated for special circumstances which would affect the industry target. The evaluation of the other four-digit classifications did not yield as much usable data. The component offsets due to special circumstances were developed from the results of available data, and, where data was sparse, by technical judgement. The result was the development of the following offsets to the gross component goals:

	(In percent)
SIC 2911 Gross component goal.....	19.4
(a) Debit for more energy to refine the crude mix projected for January 1, 1980.....	2.8
(b) Debit for additional water pollution control energy.....	(1)
(c) Debit for additional air pollution control energy.....	4.7
(d) Debit for lesser efficiency of process units converted from natural gas to heavy liquid fuel.....	.3
Subtotal debits.....	7.8
Net component goal.....	11.6

D. *Proposed two-digit net target.* The proposed net target for SIC 29 was developed in a similar manner to the proposed gross target but utilizing net component goals as developed above.

Net target development

	SIC No.					Total
	2911	2951	2952	2992	2999	
A-base year energy use in 10 ¹² Btu.....	2,934.3	25.97	19.29	5.46	7.5	2,992
B-net component goals.....	11.6	42	7.5	20	20.5	Tn ¹
A times B.....	34,038	1,090	145	109	154	35,536

¹ Tn = net energy efficiency improvement = $\frac{35,536}{2992} = 12$ pct. target.

VI. FINAL TARGET DEFINITION

A. *Comments and impact on proposed target.* Comments on the draft target were received at a public hearing conducted by FEA on December 2, 1976, and additional written comments were subsequently received by FEA. Where many comments addressed similar issues, they have been summarized and answered as a group. All the comments referred to the SIC 2911, petroleum refining component, except one which addressed the SIC 2952, asphalt felts and coatings component. During the public comment period, there were a number of questions concerning the difference between the target proposed under the EPCA program and the target established under the prior FEA/DOC industrial efficiency program. The 15 percent target established under the latter program is a gross target set in 1974, and the impact of special circumstances was not isolated. The proposed offsets for special circumstances cover essentially the same type of operations as the industry program. The final offsets developed later in this document retain this identity. The net target value can be more easily understood if it is considered to be the result of measured energy use divided by the measured units of production to yield a ratio of energy units in Btu per production unit to compare with the base year ratio.

Some comments indicated concern that some individual companies would be unable to achieve the target reduction in energy consumption. The target is a weighted average and reflects a goal for the entire SIC 29 industry. The target is not intended to represent a maximum or a minimum effort by any particular company.

The fact that some firms have been more aggressive than others in completing energy conservation installations prior to the base year 1972 was pointed out in many comments. The contributions of the conservation measures to the target did take recognition of that fact in order to evolve a meaningful target value.

Setting targets on the basis of a specific Btu per barrel improvement for a refinery was proposed by some commenters in place of a percentage target. While this suggestion has theoretical merit, it would be cumbersome to apply because of the need to establish some standard on an industry wide basis. For this reason, as well as to provide consistency with the targets for other industries, the percentage method was chosen.

Many comments pointed out the value of the adjustment factors utilized in the American Petroleum Institute voluntary reporting system form. The API system is comprehensive and provides adequately for changing conditions. It is the opinion of FEA that its target setting procedure uses similar and fully adequate factors for determining offsets.

While the development of the draft target value was made without consideration of any future legislative action to provide financial incentives for the installation of energy saving measures, passage of such legislation would certainly require a re-examination of the target. Such review is provided for by section 374(d) of EPCA.

Some commenters pointed out the possibility that current progress in conservation was accomplished by installing the easiest and least expensive measures first, leaving the more difficult and expensive measures to the future. This situation was recognized by FEA while setting the draft target values.

It is apparent that some commenters misunderstood the original proposed target as to whether the petroleum industry component goal was based on input or output to the refinery. Since the petroleum refining industry measures energy use in Btu's per barrel or feedstock fed into the refinery, and since this method is used in the voluntary industry re-

porting program, FEA's target is based on input activity to the refinery.

Some comments remarked that the percentage emphasis placed on housekeeping as a potential conservation measure was too great while others suggested it was too small. After re-examining the detailed data obtained from the industry, FEA concluded that the proposed figure was reasonable since no new data of a substantive nature was presented. Similarly, a divergence of opinion was received on the potential contributions to energy conservation of process heat integration and new capacity additions. Again no change was felt to be justified in the original evaluation results, since no substantive data was submitted to correct the proposed figure.

Some concern was voiced on the selection of 10,000 Btu per kWhr as the conversion factor for electricity. This value includes the heat energy to generate the electricity. The voluntary program sponsored by API uses this same conversion factor. The 3,412 Btu per kWhr factor is used only with Bureau of Census data and is the theoretical heat content of one kWhr.

One comment suggested rejecting the inclusion of loss recovery as an energy efficiency improvement measure. Since loss recovery represents a yield improvement rather than an energy efficiency improvement it is suggested by FEA that loss recovery should improve in energy efficiency. It is obvious that loss recovery as practiced in the industry requires a different type of technology than that normally applied to energy efficiency improvement in manufacturing processes. In addition, the possibilities of abusing the item if used as a credit against efficiency are significant.

Much controversy surrounds the values assigned as offsets for such items as product mix changes, feed quality changes, lead phase-down, and environmental control requirements. It is therefore, important to address the many valuable comments received on this subject. Offset values are by definition highly variable and are not under the control of the industry. Since the net target value is the result of subtracting the total offsets from the gross target it is necessary to examine the comments received on particular offsets.

(a) **Crude mix changes:** An increase in offset value from 2.8 percent to 3.0 percent was considered justified in the light of comments received on company-specific crude import projections. Crude slate changes can be influenced by factors not wholly under the control of the industry, but current industry projections on sulfur levels and heavier average crude mix were used in the adjustment as a rational basis for considering the future average quality of crude.

(b) **Gasoline lead levels:** It now appears that an overall lead level of 0.5 cc per gallon will be in effect by 1980 indicating a severe energy consumption penalty of about 4.5 percent which can be partially reduced by the use of a government approved non-lead octane improver, to about 3.0 percent. Any major change in these factors will result in a significant change in energy consumption in the industry by the target date.

(c) **Air pollution control:** Industry commenters seriously questioned the 4.7 percent offsets proposed for air pollution control as being too high. This calculation was based on a specified mix of sulfur-removal and tail-gas scrubbing processes being installed by 1980. On review, it was decided that the increased use of energy efficient processes would reduce the amount of energy consumed, and the offset was reduced to 2.1 percent.

(d) **Conversion from natural gas:** No change was justified in this offset value, and it remained at 0.3 percent.

(e) In addition some consideration was given to an offset for product mix and de-

mand changes. Changes in the production of light products such as gasoline, and reductions in imports projected for 1980 will generally require additional energy for refining. A continuing success in yearly improvement in motor car fuel mileage is assumed as a basis for the 1980 projections, and it was concluded that no major offset would result from product mix changes over and above the offset already accounted for as a crude mix change effect.

No offset was considered appropriate for demand changes.

The final offset totals for SIC 2911 are:

	Percent
Crude mix changes	3.0
Lead phase-down	3.0
Air pollution control	2.1
Conversion from natural gas	0.3
Total	8.4
Use	8.0

One comment on SIC 2952, (asphalt felts and coatings) expressed concern that sufficient recognition be awarded to necessary non-discretionary offsets for this industry, including new energy intensive, pollution control requirements and changes in raw materials specifications. Recognition was given in the final offset value for this component to account for these factors.

B. **Final target value.** While the evaluation of comments resulted in some reallocation of offset values, the total value of offsets remained unchanged from the draft target value. There were no comments received and evaluated that resulted in any change in the gross target value and therefore it remained at 20 percent. The 8 percent offsets for SIC 2911 was then applied to the entire SIC 29 industry due to the overwhelming weight of energy consumed by that component.

The impact of the gross target of 20 percent on the industry total consumption of energy in 1980 as compared to 1972 is as follows for SIC 29:

(1972 refining energy = 685,400 Btu/bbl.)
1972 total consumption at 685,400 Btu/bbl and 11.7 MMbbl refining input = 2.99×10^9 Btu.
1980 Total consumption at 80 pct. X 685,400 Btu/bbl and 15.7 MMbbl (SIC 2911 portion = 98 pct.)

$$= \frac{548,300 \times 15.7 \times 10^6 \times 365}{0.98} = 3.21 \times 10^9 \text{ Btu.}$$

It is seen that while refinery input is increased by 34 percent from 11.7 MMbbl to 15.7 MMbbl that the total energy consumption will increase only by 7.3 percent from 2.99 quads to 3.21 quads.

The gross energy savings in the target year alone with achievement of the 20 percent target would be:

$$\frac{(20 \text{ pct} \times 685,400) \times 15.7 \times 10^6 \times 365}{0.98} = 0.8 \times 10^9 \text{ Btu's} = 0.8 \text{ quads}$$

The final SIC 28 two-digit target, therefore, was arrived at as follows:

	Percent
Gross target (based on maximum energy efficiency achievable without consideration of special circumstances or conditions of the industry)	20
Offset (required for special industry circumstances and conditions)	8
Net target (based on maximum energy efficiency achievable with consideration of special circumstances and conditions)	12

APPENDIX F: STATEMENT OF BASIS AND JUSTIFICATION FOR THE ENERGY EFFICIENCY IMPROVEMENT TARGET FOR SIC 32—STONE, CLAY, AND GLASS PRODUCTS

I. INDUSTRY DESCRIPTION AND ENERGY BASE
The stone, clay, and glass products industry. Standard Industrial Classification

(SIC) 32, is a grouping of 27 four-digit product classifications. The following table illustrates the approximate energy consumption for each of the four-digit classifications during the base year:

SIC	Industry	1972 energy consumed, 10 ⁶ Btu's	Percent
3241	Hydraulic cement	504.8	34.3
	Glass products:		
3211	Flat	70.2	4.8
3221	Containers	150.9	10.3
3229	Pressed and blown	79.0	5.4
3296	Mineral wool	61.3	3.5
3231	Purchased glass	17.0	1.2
3274	Lime	106.0	7.3
	Structural clay products:		
3251	Brick and tile	92.9	6.4
3259	Products, NEC	27.9	1.9
	Concrete products:		
3271	Block and brick	19.5	1.3
3272	Products, NEC	32.6	2.3
3273	Ready mix concrete	82.0	5.6
3275	Gypsum	49.2	3.4
	Refractories:		
3255	Clay	25.5	1.7
3291	Nonclay	13.6	0.9
3297	Abrasives	37.3	2.6
	Whiteware products:		
3253	Wall and floor tile	7.2	0.5
3261	Plumbing fixtures	9.7	0.7
3262	Vitreous china	0.3	0.2
3263	Earthenware	3.0	0.2
3264	Electrical porcelain	7.4	0.5
3269	Pottery, NEC	4.7	0.3
	Mineral products:		
3281	Cut stone	6.1	0.4
3282	Asbestos	15.5	1.1
3293	Gaskets	7.4	0.5
3295	Minerals	27.9	1.9
3299	Products, NEC	9.9	0.7

Energy sources for SIC 32 in 1972 were:

Form of energy	10 ⁶ Btu	Percent of total
Fuel oil	146.2	19
Natural gas	518.6	59
Coal, coke	263.1	18
Electricity	102.3	7
Other	131.6	9
Total	1,461.8	100

While these product classifications rely on a variety of manufacturing processes, similarities among products or processes permitted the grouping of the 27 four-digit classifications into the following nine major categories to facilitate the required analysis:

1. **Hydraulic cement.** SIC 3241 includes companies primarily engaged in manufacturing hydraulic cement, including portland, natural, masonry, and pozzolan cements.

2. **Glass products.** SIC 3221, 3211, 3229, 3296, and 3231 group companies engaged in the manufacture of glass and glassware including flat glass, glass containers, mineral wool (including fiberglass insulation), and products made from purchased glass.

3. **Lime.** SIC 3274 describes companies which manufacture quicklime, hydrated lime, and "dead-burned" dolomite from limestone, dolomite shells, or other substances.

4. **Structural clay products.** SIC 3251 and 3259 includes manufacturers of brick and structural clay tile, and clay sewer pipe.

5. **Concrete products.** SIC 3273, 3271, and 3272 includes companies which manufacture concrete building block and brick and other products from cement and aggregate; and companies which manufacture and deliver portland cement concrete in a plastic and unhardened state.

6. **Gypsum.** SIC 3275 includes manufacturers of plaster, plasterboard, and other products composed wholly or chiefly of gypsum.

7. **Refractory and abrasive products.** SIC 3255, 3297, and 3291 includes companies which manufacture clay and nonclay refractories and abrasive products.

8. **Whiteware products.** SIC 3261, 3264, 3253, 3269, 3262, and 3263 include companies which manufacture china and earthenware articles,

porcelain electrical supplies, and ceramic wall and floor tile.

9. *Mineral products*, SIC 3295, 3292, 3281, 3293, and 3299 include companies which manufacture gaskets, compression packings, molded packings, oil seals, mechanical seals, commodities composed wholly or chiefly of asbestos (except asbestos paper), and other nonmetallic mineral products, as well as companies which operate without a mine or a quarry and specialize in crushing, grinding, pulverizing, or otherwise preparing clay, ceramic, and refractory minerals and companies which cut, shape, and finish marble, granite, slate, and other stone for building and miscellaneous uses.

II. CRITERIA FOR APPLICABILITY OF POTENTIAL CONSERVATION MEASURES

A large number of potential energy conservation measures were considered. Each potential measure was evaluated in regard to its acceptance on the basis of technological and economic feasibility. The measures which were screened and the results of the screening process are given in Section IV below.

A. *Technological feasibility*. Each potential conservation measure was evaluated according to the following criteria to determine if it was technologically feasible:

1. Could the measure be implemented in time to have an impact on energy consumption by January 1, 1980?
2. Could the measure provide significant energy savings within an industry component; would such savings have an impact on SIC 32 energy consumption?
3. Has the measure been demonstrated commercially in the U.S. by 1975 (if it required significant process modifications or equipment additions), or has the measure been demonstrated commercially in a foreign country?

Each measure was further screened against the following criteria:

1. Could the measure lower the quality of the product produced to an unmarketable level?
2. Could the measure decrease production rates to a noncompetitive level?
3. Could the measure cause an undesirable interaction with other measures?

B. *Economic practicability*. An after-tax discounted-cash-flow return on investment analysis based on the following assumptions was used to evaluate the economic practicability of those technically feasible measures:

1. Project life was fixed at 10 years (with some exceptions).
2. A single initial capital investment was assumed.
3. A straight-line depreciation rate over the life of the project was allowed.
4. Fuel costs were set at \$2.50/million Btu for fossil fuels and \$7.50/million Btu equivalent for electrical power.
5. Unless otherwise specifically identified as a substantial change, all changes in cost of labor, power, maintenance, and supplies were considered to be offsetting and to result in negligible changes in operating costs.
6. A 50 percent effective federal and state tax rate was used, and all other taxes and tax credits were assumed to be offsetting or negligible.
7. The hurdle rate for return on investment (ROI) was set at 15 percent based on industry practice.

Several other simplifying assumptions were implicit in the return on investment analysis. Production capacity and operating dollars were assumed to be constant. The installed capital cost of a proposed project was based on costs of actual projects completed in the 1974-1975 period or engineering estimates of the installed costs where actual project data were not available.

The return of investment analysis produced a set of economically feasible conservation measures.

III. CAPITAL SPENDING DECISIONS AND FINANCING CONSTRAINTS

The set of technically and economically feasible measures was further screened for the availability of capital within SIC 32 to obtain an optimum set of measures upon which to base the target. The results of the return on investment analysis are outlined first in this section and then the availability of capital is considered. The results of this final screening are those measures discussed in Section IV.

A. *Required return on investments*. Most of the technically feasible energy conservation measures fell into one of two groups. In the first group, the rate of return was above 25 percent, a figure substantially in excess of the industry hurdle rate of 15 percent. The other group contained potential measures whose calculated rate of return was under 5 percent. These latter measures were not economically practicable. In the few situations where the calculated return on investment was close to the 15 percent hurdle rate, the sensitivity of the ROI to the assumed capital investment was examined in the final assessment of the economic feasibility of a given energy conservation measure.

B. *Capital spending priorities*. The next question that was considered in arriving at an evaluation of the economic practicability of a given measure was the availability of the capital funds required to implement it.

Every industry regards investment for energy conservation as one of a number of alternative demands on the available capital funds. If a proposed investment offers a sufficiently high return on investment, it will be considered further and will be evaluated with respect to the current priorities and strategy of the business. Investments which are generally considered to take priority over energy conservation investments include those required to:

1. Comply with laws and regulations.
2. Ensure the immediate survival of the business.
3. Maintain market share.
4. Assure supplies of essential raw materials or energy.
5. Expand production capacity to provide for anticipated growth.

Energy conservation is usually in the defensible category to be funded from any surplus left after non-discretionary investments have been budgeted. The size of this discretionary fund was determined by first estimating the total amount of money available to each component industry for capital investments during the period 1972-1980. Data on past investment levels from the Annual Survey of Manufacturers published by the U.S. Department of Commerce, Bureau of the Census, were used as the indicator of the ability of the industry to generate and borrow capital for new plants and equipment. From the aggregated financial capability of SIC 32, allocated, estimated, and projected expenditures during the target period, including expenditures for capacity increases, compliance with environmental and other regulations, assuring supplies of raw material and energy (including conversion to less scarce energy forms), and for any other known high priority, non-discretionary capital expenditure were subtracted. Where the individual data were insufficient for such detailed calculations, it was assumed that the funds available for energy-conserving measures represented 33 percent of the total available capital funds. The amount of remaining funds determined the extent to which the industry could implement the technically and economically feasible energy efficiency improvement measures.

IV. POTENTIAL ENERGY CONSERVATION MEASURES AND EFFORTS TO REDUCE USE OF PETROLEUM PRODUCTS AND NATURAL GAS

A more detailed treatment of potential conservation measures can be found in the

target support documents which are available for examination as indicated in the body of this notice. The principle measures are listed here by industry group and include measures which were eliminated by either the technological or economic screening.

A. *Potential measures identified*.—1. *Hydraulic cement*, SIC 3241. The following measures contributed to the goal for this component:

- (a) Maintenance of kiln seals.
- (b) Improved refractories.
- (c) Cooling of kiln shell.
- (d) Reduction of gas and dust heat loss by using chains.
- (e) Reduction of water in feed.
- (f) Conversion of dry process kiln.
- (g) Conversion to preheater kiln.
- (h) Use of alternate raw materials.
- (i) Production of blended cement.

Measures considered but eliminated by the screening criteria discussed above included:

- (a) Use of new stationary kilns.
- (b) Waste heat drying.
- (c) Use of roller mills in finish grinding.
- (d) Use of grinding aids in finish grinding.
- (e) Increasing alkali content of product.

2. *Glass products*, SIC 3221, 3211, 3229, 3296 and 3231. The following measures contributed to the goals for the glass product industry components:

- (a) Improved combustion control.
- (b) Improved regenerator brick.
- (c) Secondary heat recovery.
- (d) More efficient lehrs.
- (e) Use of waste heat boilers.
- (f) Increased furnace insulation.

Measures considered but eliminated included:

- (a) Increased electric boosting.
- (b) Oxygen enrichment (feasible for mineral wool SIC 3296).
- (c) Batch preheating.
- (d) All electric melting (feasible for mineral wool SIC 3296).

3. *Lime*, SIC 3274. The following measures contributed to the goal for SIC 3274:

- (a) Addition of coolers to kiln.
- (b) Use of internal refractory elements.
- (c) Conversion to preheater kiln or modern vertical kiln.
- (d) Switching to coal as fuel.

Measures considered but eliminated included: (a) Replacement of small kilns with large. (b) Installation of control systems.

4. *Structural clay products*, SIC 3251 and 3259. The following measures contributed to the goals for these components: (a) Kiln modernization. (b) Kiln replacement.

Measures considered but eliminated included: (a) Increased coring of brick. (b) Fuel additives to unburned brick.

5. *Concrete products*, SIC 3273, 3271, and 3272.

The following measures contributed to the component goals:

- (a) Conversion from gasoline to diesel for delivery.
- (b) Improved fuel economy in delivery.
- (c) Improved curing cycle.

Measures considered but eliminated included: (a) Use of continuous cure ovens. (b) Ambient air cure.

6. *Gypsum*, SIC 3275. The following measures contributed to the component goal:

- (a) Improved combustion in calcining.
- (b) Reduction of stack heat loss.
- (c) Conversion from batch to continuous calcining.
- (d) Additional or improved insulation.
- (e) Reduction of water content of board.
- (f) Reduction of bulk density of board.

The following measure was considered but eliminated: (a) Conversion from indirect to direct fired driers.

7. *Refractory and abrasives products*, SIC 3255, 3297, and 3291. The following measures contributed to the refractory product goals:

- (a) Kiln modernization. (b) Improved kiln utilization.

The following measure was considered but eliminated: (a) Lowered processing water content.

8. *Whiteware products, SIC 3261, 3264, 3253, 3269, 3262, and 3263.* The following measures contributed to the component goals: (a) Kiln modernization. (b) Kiln replacement. (c) Optimization of kiln firing schedule.

The following measure was considered but eliminated: (a) Lowered processing water content.

9. *Mineral products, SIC 3295, 3292, 3281, 3293, and 3299.* The following measures contributed to the component goals:

(a) Improvements in material handling and conveying.

(b) Pyro-processing equipment modification or replacement.

The following measure was considered but eliminated: (a) Ambient air cure.

In addition to the specific measures enumerated above, many general conservation measures referred to as housekeeping contributed to the energy efficiency improvement potential of each industry component.

B. *Efforts to reduce consumption of petroleum products and natural gas.* Since 1972, significant changes have occurred in the emphasis which industry places on energy planning and management. Because of the scarcity of natural gas, there has been some shift in the pattern of energy consumption by SIC 32 industries. Reports submitted as part of the joint FEA-Department of Commerce Voluntary Industrial Energy Conservation Program and the survey of energy usage in 1974 by the Bureau of Census (Annual Survey of Manufactures 1974 Vol. 4.2, Fuels and Electric Energy Consumed) indicate that the use of natural gas is declining and the use of oil and electricity is rising. For instance:

1. The cement reporting group showed a 6 percent decline in the relative gas usage between 1972 and 1975 with a corresponding increase in the use of coal.

2. The refractories reporting group showed a 6 percent decline in the relative gas usage between 1972 and 1974 with a corresponding increase in the use of fuel oil.

3. The flat glass and pressed and blown glass reporting groups showed a 6 percent decline in the relative gas usage between 1972 and 1975, with a corresponding increase in the use of fuel oil.

4. The brick reporting group showed a 5 percent decline in the relative use of gas between 1972 and 1975, with a corresponding increase in the use of fuel oil and coal.

5. The Bureau of Census figures for SIC 32 indicate a 2 percent decline in the relative use of natural gas between 1971 and 1974. Fuel oil usage increased 7 percent while coal usage decreased 4 percent.

For a majority of manufacturers in SIC 32, fuel oil and liquefied petroleum gas fuels are the only practical alternatives to natural gas. In some cases, replacing existing processing equipment with electrically heated equipment is also technically feasible. Conversion to coal usually requires an ash-free, and sometimes sulfur-free, combustion product which will not affect product quality. Such coal-firing technology will not be generally available on a commercial basis before 1980; and, therefore, conversion from natural gas and oil by a majority of the SIC 32 industries is not likely to occur.

However, in a few SIC 32 components such as cement, lime and mineral products coal currently represents a higher percentage of the energy consumed than in 1972. The pyro-processing equipment, such as rotary kilns, used in these industries can utilize any fossil fuel, and the product quality specifications can accept the impurities generated by the combustion of the coal. In each case,

the conversion is made primarily for business reasons, including the unavailability of natural gas. Securing reliable coal stocks of consistent quality and avoiding emissions which exceed ambient air quality standards are two barriers which can affect the decision to use coal. The conversion to coal in some component industries could increase the relative percentage of energy supplied by that fuel from the 18 percent level in 1972 to a

maximum of about 40 percent in 1980. Such conversion, however, is not anticipated to result in any significant reduction in energy efficiency.

V. PROPOSED TARGET DEFINITION

A. *Component goals.* The analyses outlined above and detailed in the target support document resulted in the following energy efficiency improvement goals for each of the four-digit SIC classifications:

Industry group	1980 energy usage (10 ¹⁰ Btu)			Component goal (percent)
	SIC	At 1972 efficiency	At 1980 efficiency	
Hydraulic cement	3241	591.43	483.19	18.1
Glass product:				
Containers	3221	198.36	171.60	13.5
Flat	3211	83.91	68.82	17.8
Pressed and blown	3229	92.53	74.95	19.0
Mineral wool	3256	62.40	51.79	17.0
Purchased glass	3231	19.19	15.25	20.5
Lime	3274	132.12	112.61	14.8
Structural clay products:				
Brick and tile	3251	108.82	89.23	18.0
Products, n.e.c.	3259	30.28	24.91	17.6
Concrete products:				
Ready-mix concrete	3273	95.89	83.25	13.2
Block and brick	3271	22.86	19.06	16.6
Products, n.e.c.	3272	38.16	34.59	9.4
Gypsum	3275	51.88	42.97	16.7
Refractory products:				
Clay	3255	33.09	28.12	15.0
Nonclay	3297	48.96	44.06	10.0
Abrasive	3291	17.22	14.63	15.0
Whiteware products:				
Plumbing fixtures	3261	11.38	9.67	15.0
Electrical porcelain	3264	9.08	7.71	15.1
Wall and floor tile	3253	7.87	6.92	12.1
Pottery, n.e.c.	3269	5.07	4.31	15.0
Vitreous china	3262	3.54	3.09	13.3
Earthenware	3263	3.21	2.73	15.0
Mineral products:				
Minerals	3295	33.99	29.15	14.2
Asbestos	3292	18.18	15.15	16.7
Cut stone	3281	7.16	5.27	26.4
Gaskets	3293	9.23	7.96	14.7
Products, n.e.c.	3299	12.02	11.56	3.9
Total		1,752.60	1,462.46	*16.55

* Final SIC 3241 goal = 15.7 pct.

Final SIC target = 15.65 pct (rounded off to 16 pct).

B. *Proposed two-digit gross target.* The SIC 32 proposed gross target is the percentage reduction in energy consumed per unit of output from the base year (1972) to the target year (1980) without consideration of special circumstances. Aggregating the component energy efficiency goals into a proposed gross energy efficiency improvement target for the entire stone, clay, and glass industry was accomplished by weighting the contribution of each component in terms of its relative total energy consumption. This involved estimating for each of the 27 components:

(a) Energy per unit of output consumed in 1972.

(b) Technologically feasible means to improve energy utilization.

(c) What fraction of the above means would be implementable by January 1, 1980, based on economic practicability.

(d) A forecast of 1980 output.

(e) Energy consumption in 1980 at 1972 efficiency.

(f) Energy consumption in 1980 at 1980 efficiency.

(g) Energy savings in 1980 by implementation of 1980 efficiency improvement means.

(h) Item (g) divided by Item (e), expressed as a percentage.

The percent reduction in energy consumed per unit of industrial output was calculated by dividing 290.14×10^{10} Btu, the energy saved by the use of conservation measures, by the 1980 energy consumption at 1972 efficiencies (1752.60×10^{10} Btu). The proposed gross target for energy efficiency improvement in SIC 32 which was determined to be technically and economically feasible was 17 percent.

C. *Special circumstances effects.* In the case of SIC 32, the proposed gross target also represented the net energy efficiency improvement target because special circumstances affecting the industry were judged to have no impact on future energy consumption which would affect the target value.

The significant capital investments that have already been made by the industry for pollution control equipment and the anticipated additional expenditure in the 1976-1980 period were taken into account in assessing the funds available to finance energy-saving capital projects. While the amount of energy consumed in operating pollution control equipment was examined, FEA concluded that the operations of existing pollution control equipment has caused negligible increases in energy consumption. Any future increases in energy consumption resulting from equipment installed to meet 1977 environmental standards will be off-set by gains in energy efficiency resulting from more efficient process equipment installed to meet growing market demand.

D. *Proposed two-digit net target.* The proposed net target for SIC 32 was 17 percent, the same as the proposed gross target.

VI. FINAL TARGET DEFINITION

A. *Comments and impact of proposed target.* Testimony given at the December 9, 1976, public hearing conducted by FEA and timely written comments received by FEA on the proposed target for SIC 32 were reviewed by FEA. Where different comments addressed similar issues, they have been summarized and responded to below as a group.

Some comments were concerned with the difficulty in achieving the energy efficiency improvement goals of certain components in view of the limited progress made toward those goals since 1972 and the short time remaining until January 1, 1980, in which to undertake the extensive capital equipment modernization program on which the improvement was based. Section 374(a)(2) of the EPCA provides that each target shall be established as the maximum feasible improvement which can be achieved by January 1, 1980, and FEA has no discretion in setting targets outside the statutory requirements.

Several comments disagreed with the energy consumption figures for the base year 1972. After evaluating these comments FEA concludes that the data used in this study, which were derived from the U.S. Bureau of Census data, represent the best information available for the whole industry.

Several comments concerned the possibility that energy consumed by one four-digit classification was incorrectly attributed to another classification, or that potential energy conservation measures were incorrectly attributed to one component that properly should be attributed to one or more different industry components. Two comments concerned the possible inclusion in figures for consumption for SIC 32 components, of the energy required for the captive production of SIC 32 products as raw materials by industries outside SIC 32. FEA has carefully reviewed the data applicable to those comments and has concluded that the original data were accurate.

Eight comments were concerned with the actual achievement of component goals or the industry target by individual companies. The component goals represent the maximum feasible improvement, as determined by FEA, for the industry components. No goals were developed for individual companies. The industry target is a weighted average of the component goals and is not intended to be indicative of the potential of an individual company.

A substantial area of concern by commentators was the degree to which individual measures for improving energy efficiency are applicable throughout an industry component and the extent to which various combinations of measures can be applied within an individual plant or company. Some comments disagreed with the target support document on the extent to which specific measures were applicable. The grounds for this disagreement included (a) differing judgments concerning the extent to which a measure had been applied prior to 1972, (b) potential adverse effects on product quality for some markets, (c) potential increases in operating or maintenance costs, (d) potential increases in production rate and (e) limitations on raw materials choices imposed by the measure. Two comments questioned whether the energy savings to be achieved by installing a combination of measures had been properly evaluated because the net savings from a combination could be significantly less than the sum of the individual savings. Four comments questioned whether the degree of energy savings potential for specific measures could be achieved throughout the industry component.

In fact, these considerations were an intrinsic part of the analysis of potential conservation measures and had been carefully considered in the judgments made concerning technical feasibility, the applicability of the technical measures alone and in combination, and the average energy efficiency improvement attainable by various measures. In many cases, the objections of comments

were based on the experience of an individual company or a segment of the industry component and are not representative of the entire component.

The economic practicability of individual measures on the plant and component-wide basis was another area which generated negative comments. These comments addressed the following issues: the estimates of capital costs of the plant and equipment modifications, the fuel costs assumed, and the ability of the industry component to generate the amount of capital needed to achieve the level of implementation included in the target.

Three comments questioned the validity of the estimated capital cost figures used in the return on investment calculations for certain equipment modifications or replacements. The capital cost figures used were based on reports in the technical literature, or data from individual companies concerning the costs of actual plant modernization projects completed during 1972-1975 and estimates by engineering firms, construction firms, and equipment suppliers of the costs of various modifications for which actual costs were not available. The higher cost figures stated in some of the comments represented the experience of a few companies or estimates of future construction costs and are no more reliable indicators of the probable costs for the entire industry than the figures used by FEA in the return on investment calculations. Because of the significant use of data from actual modernization projects, the economic feasibility of those projects was not overestimated.

Three comments questioned the accuracy of the fuel cost estimates used to develop the target. The fuel cost used in developing the SIC 32 target was an estimated average of industry fuel costs during the period 1972 to 1980. After considering the data presented on fuel costs FEA determined that the fuel cost estimate used was reasonable for all industry components except the cement industry. The cement industry, unlike most of SIC 32, has been able to make a substantial conversion to coal and to stabilize fuel costs for 1972-1980 at about half the fuel cost used in developing the target. The economic motivation for capital investment by the cement industry is correspondingly likely to be lower than was originally estimated. The maximum practicable rate of modification and replacement involving high capital cost investments is therefore lower for the cement industry. Because of the substantial energy consumption of the cement industry these changes will have an impact on the proposed target value.

Two comments questioned the ability of two components to generate sufficient capital funds to finance sufficient plant and equipment modifications as called for in the support document. The revised evaluation of the cement industry as a result of its lower fuel costs substantially reduces its projected need for capital funds, and the ability of the cement industry to generate sufficient funds at the lower level of investment is more than adequate on the basis of past data. Careful consideration of the other comment revealed that the statement was based on hypothetical future development and did not warrant any change in the goal for that component nor in the target.

Three comments questioned whether the potential decrease in efficiency as a result of a decline in production had been sufficiently accounted for in determining the energy efficiency improvement potential for their particular industry component. Consideration of those comments and a re-examination of the limited data available on the re-

lationship between production and energy efficiency in SIC 32 industries did not result in a change of the original conclusions concerning the probable future impact of market conditions on production and energy efficiency in SIC 32. However, unanticipated future decreases in product demand in the stone, clay and glass industries could have a significant effect on energy conservation and offset much of the improvement achieved by measures implemented on the assumption of continued growth. As provided for by the EPCA Section 374(d), the target may be modified by FEA if conditions warrant.

Six comments concerned special circumstances and questioned whether these had been adequately considered in determining the industry target. Two comments concerned the increased energy consumption which results from the operation of pollution control equipment. The data presented represented the experience of an individual company and predictions for possible future requirements, and are not valid with respect to the whole industry. Three comments questioned whether the assumption that conversion to coal would not affect energy efficiency was valid for their industry component. FEA concluded that significant conversion to coal firing would take place only in those industry components where such conversions would not be detrimental to either product quality or production rate and would not adversely affect energy efficiency, that is in the cement industry and portions of the lime, refractories, structural clay products, and expanded minerals industries. If conversions beyond those do occur a decrease in energy efficiency could result. The EPCA provision for target modification allows for appropriate changes if this should prove to be the case in the future. One comment concerned the energy penalty associated with quality specifications that limited the application of a specific energy efficient equipment modification. This limitation had been accounted for in assessing the applicability of this equipment. If product specifications should be altered in the future, the effect on the component goal and its potential impact on the target could be appraised during a review of the target.

B. Final Target. Based upon a comprehensive review of the proposed target document and the comments received by FEA, the SIC 32 energy efficiency improvement target has been revised.

Two changes occurred in the component goal for the cement industry and these resulted in a 14 percent reduction in the expected improvement for this industry component (from 18.3 to 15.7 percent). These changes were (1) a reduction in the estimate for the maximum economically practicable rate of conversion or replacement of kilns due to a lower cost of fuel than originally assumed, and (2) inclusion of energy savings resulting from the addition of new, more efficient plants and equipment to increase industry capacity. These two changes reduced the SIC 32 draft target from 290.14×10^{12} Btu to its final value of 274.77×10^{12} Btu. No other changes were made which had an impact on the final SIC 32 target.

The final target arrived at is 16 percent. This is calculated by dividing the 1980 energy efficiency improvement of 274.77×10^{12} Btu by the 1980 energy consumption at 1972 efficiencies of 1752.00×10^{12} Btu, and rounding to the nearest integer.

The impact of the target on the industry's total consumption of energy in 1980 as compared to 1972 is as follows for SIC 32:

1972 total consumption = 1462×10^{12} Btu
1980 total consumption = 1478×10^{12} Btu (provided the target is attained)

The following is the energy efficiency improvement target set by FEA for SIC 32:

APPENDIX G: STATEMENT OF BASIS AND JUSTIFICATION FOR THE ENERGY EFFICIENCY IMPROVEMENT TARGET FOR SIC 33—PRIMARY METAL INDUSTRIES

	Percent
Gross target, based solely on technological feasibility and economic practicability	16
Offset, based on consideration of special circumstances	0
Net target, based on technological feasibility and economic practicability plus consideration of special circumstances	16

APPENDIX G: STATEMENT OF BASIS AND JUSTIFICATION FOR THE ENERGY EFFICIENCY IMPROVEMENT TARGET FOR SIC 33—PRIMARY METAL INDUSTRIES

I. INDUSTRY DESCRIPTION AND ENERGY BASE

The primary metal industries group comprising Standard Industrial Classification (SIC) 33 consists of 26 four-digit product classifications. These classifications are shown below with the figures for 1972 energy consumption.

SIC	Industry	1972 energy consumed 10 ⁹ Btu's	Percent
3312	Blast furnaces, coke ovens, steel works, rolling mills	3,063.0	72.14
3315	Steel wire, nails, spikes	14.0	.33
3316	Cold rolled steel sheet, strip and bars	13.0	.31
3317	Steel pipe and tubes	13.0	.31
3334	Primary aluminum	491.4	11.57
3353	Aluminum sheet, plate, foil	56.6	1.33
3354	Aluminum extruded products	24.4	.58
3355	Aluminum rolling and drawing, not elsewhere classified	15.1	.36
3321	Gray iron foundries	130.2	3.07
3322	Malleable iron foundries	9.8	.23
3331	Primary copper	66.6	1.57
3351	Copper rolling, drawing, extruding	17.7	.42
3313	Ferroalloys	75.0	1.77
3361	Aluminum foundries	22.6	.53
3362	Brass, bronze, copper foundries	3.4	.08
3309	Nonferrous foundries, not elsewhere classified	10.0	.24
3324	Steel investment foundries	.6	.01
3325	Steel foundries, not elsewhere classified	42.4	1.00
3339	Other primary nonferrous	43.0	1.01
3356	Rolling, drawing, extruding nonferrous	12.7	.30
3357	Drawing and insulating nonferrous wire	22.8	.54
3358	Metal heat treating	27.1	.64
3399	Primary metal products, not elsewhere classified	7.4	.17
3341	Secondary nonferrous smelting and refining	33.0	.78
3333	Primary zinc	21.0	.50
3332	Primary lead	9.0	.21
Total		4,246.0	100.00

The above data indicates that a reduction in energy consumption by SIC 3312, the four-digit classification covering the basic steel industry, will have an extremely substantial effect on energy consumption by the whole industry, since this classification alone accounts for over 70 percent of the energy consumption of the primary metal industries. The energy sources for the SIC 3312 classification of the steel industry are shown below with the tons of production and energy per unit of production for 1972.

Survey on 1972 net energy consumption in the steel industry¹

Form of energy	10 ⁶ Btu	Percent of total
Coal (metallurgical)	1,654,338,621	60.4
Coal (boiler)	69,218,661	2.5
Coal (other)	6,906,481	.3
Natural gas	596,818,042	21.8
Middle distillates	12,756,385	.5
Residential fuel oil	172,340,417	6.3
Other petroleum products	2,446,805	.1
LP gas	1,288,519	.1
Electricity (purchased)	115,745,487	3.9
Coke (purchased)	105,430,228	3.9
Coke oven gas (purchased)	3,636,800	.2
Tar or pitch (purchased)	513,000	.02
Other	142,000	.01
Total Btu's	2,741,601,456	100.0
Total finished steel produced, ² 84.05×10 ⁶ net tons		
Btu consumption per net ton of finished steel produced, 32.61×10 ⁶		

¹ Survey companies accounted for 89.5 per cent of total industry production in 1972.

² Shipments adjusted for inventory changes.

Energy consumption for major steelmaking unit operations—1972 base year

	10 ⁴ Btu per net ton of finished steel produced	Percent of total energy used
Coke ovens	3.7	11.3
Blast furnace	19.7	60.5
Steel furnaces	2.2	6.7
Soaking pits, reheat furnace, annealing, and heat treatment	4.8	14.7
Rolling and finishing operations	2.2	6.8
Total	32.6	100.0

Primary metal industries include establishments engaged in the smelting and refining of ferrous and nonferrous metals from ore, pig, or scrap; in the rolling, drawing, and alloying of ferrous and nonferrous metals; in the manufacture of castings and other basic products of ferrous and nonferrous metals; and in the manufacture of nails, spikes, and insulated wire and cable. This industry also includes the production of coke.

For the purpose of establishing the gross target, the four-digit classifications were grouped into 13 components according to the following guidelines:

1. the form in which data were available.
2. the relative contributions of particular components to total use of energy in SIC 33.
3. usual and conventional ideas of what is included in a particular industry.
4. common processing techniques.

The 13 components are as follows: 1. SIC 3312, 3315, 3316, 3317, consisting of companies engaged in the production of iron and steel and the manufacture of steel wire, strip, pipe, and tubes. The analysis concentrated on blast furnaces, coke ovens, steel works, and rolling mills which represent the basic iron and steel industry. Data produced by 89.5 percent of the steel industry was examined for purposes of setting targets.

2. SIC 3334, 3353, 3354, 3355, consisting of companies which refine alumina from bauxite and reduce the alumina to aluminum metal and fabrication plants. Data which represented 95 percent of the energy used in the aluminum industry was examined for purposes of setting targets.

3. SIC 3321 and 3322, including companies that cast gray iron, ductile iron, white iron,

and malleable iron, but not including similar processes which are included in other SIC groups.

4. SIC 3331 and 3351, including companies which prepare blister and anode copper from concentrates, refine the metal into ingots and fabricate the ingots into such shapes as plate, sheet, extrusions, and bar.

5. SIC 3313, including plants engaged in the manufacture of additive alloys primarily for sale to the basic steel industry.

6. SIC 3361, 3362, and 3369, consisting of companies that manufacture aluminum, copper, magnesium, nickel, titanium, and zinc alloy castings.

7. SIC 3324 and 3325, including companies engaged in manufacturing steel castings.

8. SIC 3339, consisting of companies engaged in smelting and refining nonferrous metals other than copper, lead, zinc, and aluminum.

9. SIC 3356 and 3357, consisting of rolling, drawing, and extruding of nonferrous metals other than copper and aluminum as well as drawing and insulating of nonferrous metal wire and cable from purchased wire bars, rods, or wire.

10. SIC 3398 and 3399, consisting of companies engaged in heat treating of metals and the manufacture of metal powders.

11. SIC 3341, consisting of plants which recover nonferrous metals and alloys from new and used scrap and dross, plants which recover precious metals and plants which produce tin.

12. SIC 3333, including companies which smelt zinc from the ore, and refine zinc by other processes.

13. SIC 3332, including plants which extract and refine lead from ore.

II. CRITERIA FOR APPLICABILITY OF POTENTIAL CONSERVATION MEASURES

A large number of potential energy conservation measures were considered. In order to assess the likelihood of a measure influencing energy conservation in the industry components of SIC 33, each measure was evaluated with regard to its acceptance on the basis of demonstrated technology and economic attractiveness including any applicable time restraints. The measure of energy efficiency used in the primary metal industries in Btu's per ton of production output.

A. *Technological feasibility.* The technological criteria used for screening potential conservation measures are as follows: 1. Has the technology been demonstrated in newly designed commercial plants?

2. Has the technology been demonstrated in commercial retrofit installations?

3. Can the technology be installed on a large enough scale to significantly affect the use of energy by January 1, 1980?

4. Is manufacturing capacity available to produce all the new equipment?

5. Will the technology be outmoded by January 1, 1980?

6. What is the effect of lost production on the national market?

7. Does the potential measure satisfy anticipated non-discretionary requirements?

B. *Economic practicability.* Each measure that satisfied the above criteria was then considered and evaluated using the following economic method.

For each potential measure the capital investment necessary to implement the measure was divided by the number of millions of Btu saved annually to obtain the dollar amount per million Btu's saved annually. Only when the cost per million was \$10 or less was the measure determined to be economically practicable. The \$10 cutoff is based on an after tax 10 percent weighted average cost of capital and an energy price of \$2 per million Btu.

III. CAPITAL SPENDING DECISIONS AND FINANCING CONSTRAINTS

Primary metals is a capital intensive industry ranking sixth highest in capital intensity among all 28 industrial classifications in the Fortune 500 ranking. Among the 10 most energy consumptive industries SIC 33 is exceeded only by the petroleum and coal products industry (SIC 29) and requires on the average about 60 percent more capital per employee than the other eight industries. The great need for capital poses a difficult capital formation constraint on this industry. The high priorities for capital spending in SIC 33 are:

1. To increase plant capacity;
2. To improve environmental controls; and
3. To switch to available fuels.

These demands for capital are likely to impede the availability of capital for energy efficiency improvements.

IV. POTENTIAL ENERGY CONSERVATION MEASURES AND EFFORTS TO REDUCE USE OF PETROLEUM PRODUCTS AND NATURAL GAS

This appendix will only discuss the major aspects of the assessment of potential energy conservation measures. A detailed treatment of all the potential energy conservation measures which were considered can be found in the target support documents which are available for examination at the locations and times specified in the body of this notice.

A. *Potential measures identified.* 1. SIC 3312, 3315, 3316, 3317—steel plants. Twenty-six specific types of potential conservation measures were evaluated for technological feasibility and economic practicability for steel plants. Twelve of these items are process measures and 14 apply to housekeeping. The 12 process measures are:

- a. Increased pellet usage in blast furnaces.
- b. Increased blast-furnace gas recovery.
- c. New and modernized blast furnaces.
- d. Dry quenching of coke.
- e. Blast-furnace coal injection.
- f. External desulfurization.
- g. Recovery of BOF offgas.
- h. Preheating scrap for BOF with oxygen-fuel burner.

- i. Increased electric-furnace capacity.
- j. Increased continuous casting.
- k. Increased use of induction heating of steel slabs.

- l. Improvements in soaking pit, reheat, annealing, and heat-treating facilities.

2. SIC 3334, 3353, 3354, 3355—aluminum. Nineteen specific types of potential conservation measures were evaluated for the aluminum component. Seven of these items are process measures and 12 apply to housekeeping. The seven process measures are:

- a. Convert 66 percent of rotary kilns for calcining alumina to fluidized bed calciners.
- b. Improve efficiency of Hall Process.
- c. Complete 100 percent conversion to silicon rectifiers.
- d. Decrease melting losses by 50 percent.
- e. Improve fabrication yield.
- f. Double the amount of old scrap recycled.
- g. Install air dampers on holding furnaces.

3. SIC 3321, 3322—iron foundries. Twenty specific types of potential conservation measures were evaluated for the iron foundries component. Eight of these items are process measures and 12 apply to housekeeping. The eight process measures are:

- a. Increase electric melting by additional 25 percent of total melting.
- b. Install recuperative hot blast on additional 15 percent of cupola capacity.
- c. Install divided blast on additional 40 percent of cupola capacity.
- d. Install electronic energy-management systems in foundries making 20 percent of annual production.
- e. Convert additional 50 percent of "hot" methods for molding and coremaking to "cold" methods.
- f. Use insulating sleeves on 30 percent of risers.
- g. Preheat charges with waste heat for 40 percent of electric furnaces.
- h. Increase yield by 2 percent by methods in addition to above.

4. SIC 3331, 3351—copper. Six specific types of potential conservation measures in addition to housekeeping were evaluated for the copper component as follows:

- a. Conversion of multiple-hearth to fluidized-bed roasting.
- b. Installation of Noranda process smelter at Garfield, Utah.
- c. Installation of Outokumpu flash smelter at Hidalgo, NM.
- d. Substitution of fuel oil for natural gas in smelting.
- e. Oxygen-enrichment of air in converters.
- f. Conversion of reverberatory furnaces for cathode smelting to ASARCO shaft furnace.

5. SIC 3313—ferroalloys. Two specific types of potential conservation measures in addition to housekeeping were evaluated for this component as follows:

- a. Increase use of larger submerged-arc furnaces with improved controls.
- b. Convert some open-hooded furnaces to "sealed" mode of operation.

6. SIC 3361, 3362, 3369—nonferrous foundries. Three specific types of potential conservation measures in addition to housekeeping were evaluated for this component, as follows:

- a. Bulk transport of molten metal.
- b. Improvement of furnace efficiency.
- c. Preheating of furnace charges.

7. SIC 3324, 3325—steel foundries. Five specific types of potential conservation measures in addition to housekeeping measures were evaluated for this component, as follows:

- a. Install electronic energy-management systems in foundries making 20 percent of annual production.
- b. Convert additional 40 percent of "hot" methods for molding and coremaking to "cold" methods.
- c. Use insulating sleeves on 30 percent of risers.
- d. Preheat charges with waste heat for 40 percent of electric furnaces.
- e. Increase yield by 2 percent by methods in addition to above.

8. SIC 3339, 3356, 3357, 3398, 3341, 3333, 3332. These components account for only 4.2 percent of the energy use in the primary metal industries. Approximately one process measure was evaluated for each of these components in addition to housekeeping.

B. *Efforts to reduce consumption of petroleum products and natural gas.* Curtailments of natural gas are already a major factor in some geographic areas, and risks of curtailment have encouraged early investment in oil-fired capability in the primary metal industries. Some metals manufacturing companies have indicated that use of purchased gas could be ended by 1980 for them, and these companies are switching to electricity as well as oil. Only a small fraction of energy applications are being converted to coal in the primary metal industries. Converting to coal requires high capital cost for new equipment, results in lower thermal efficiency compared to oil and natural gas, and requires more capital for environmental control equipment due to the particulate and sulfur in the flue gas. Few conversions have been made to coal because there have been inadequate incentives to justify increased use of coal by the primary metal industries.

V. DRAFT TARGET DEFINITION

A. *Component Goals.* The detailed evaluation of the best available information resulted in the following gross energy efficiency improvement goals for each of the thirteen components of SIC 33:

	Component goals (percent)
SIC 3312, 15, 16, 17: Steel plants	13.5
SIC 3334, 53, 54, 55: Aluminum	13.8
SIC 3321, 22: Iron foundries	26.5
SIC 3331, 51: Copper	13.0
SIC 3313: Ferroalloys	8.9
SIC 3361, 62, 69: Nonferrous foundries	9.1
SIC 3324, 25: Steel foundries	18.9
SIC 3339: Other primary nonferrous	11.3
SIC 3356, 57: Nonferrous processing	4.7
SIC 3398, 99 Miscellaneous metal products	7.1
SIC 3341: Secondary nonferrous smelting and refining	15.4
SIC 3333: Primary zinc	10.4
SIC 3332: Primary lead	11.1

B. *Proposed Two-Digit Gross Target.* For each component the 1980 energy use at 1972 energy efficiency in units of trillions of Btu's is shown in column A of the following table. Similarly, for each component, the 1980 energy improvement based on the projected implementation of conservation measures in units of trillions of Btu's is shown in column D. The 1980 energy use for each component as shown in column C was determined by subtracting the savings in column D from the energy use in column A. Column B repeats the component goals. The two-digit gross target percentage for SIC 33 is determined below by subtracting the total in column C from the total in column A, dividing by 100. The proposed two-digit gross target for SIC 33 is 14 percent.

Gross target development

	(A)	(B)	(C)	(D)
	1980 energy use at 1972 energy efficiency (10 ¹² Btu)	Gross percent improvement by 1980 for each component	1980 energy use if gross target is achieved (10 ¹² Btu)	Energy improvement by 1980 for each component (10 ¹² Btu)
Component:				
3312, 15, 16, 17	3,753	13.5	3,245	508
3334, 33, 34, 35	741	13.8	639	102
3321, 22	170	26.5	125	45
3311, 31	92	13.0	80	12
3313	90	8.9	82	8
3301, 62, 69	44	9.1	40	4
3324, 25	53	18.9	43	10
3339	62	11.3	55	7
3356, 57	43	4.7	41	2
3398, 99	42	7.1	39	3
3341	39	15.4	33	6
3333	29	10.4	26	3
3332	9	11.1	8	1
Total	5,167	(C)	4,456	

¹ T_g = gross energy improvement target

$$= \frac{A-C}{A} \times 100$$

$$T_g = \frac{5,167 - 4,456}{5,167} \times 100 = 13 \text{ pct, use 14 pct}$$

C. *Special circumstances effect.* Special circumstances are conditions imposed on an industry which are beyond the control of that industry and result in the use of additional energy to manufacture the same products. Examples of special circumstances in SIC 33 are the energy required for pollution control and the processing difference between ore grade in 1972 and 1980.

D. *Proposed two-digit net target.* For each component in SIC 33 the additional energy required by special circumstances was determined in units of trillions of Btu and recorded in column C of the table below. The

gross component goals were adjusted by adding the additional energy required by special circumstances to the estimated gross target energy consumption in column B of the table below to obtain the 1980 energy use in column D for calculating the net target. The net component goals are shown in column E. The two-digit net target percentage for SIC 33 is calculated by subtracting the total in column D from the total in column A, dividing by the total in column A, and multiplying by 100. The proposed two-digit net target for SIC 33 is 10 percent.

	(A)	(B)	(C)	(D)	(E)
	1980 energy use at 1972 energy efficiency (10 ¹² Btu)	1980 energy use if gross target is achieved (10 ¹² Btu)	Energy for special circumstances (10 ¹² Btu)	1980 energy use if net target is achieved (10 ¹² Btu)	Net percent improvement by 1980 for each component
Component:					
3312, 15, 16, 17	3,753	3,245	168	3,413	9.1
3334, 33, 34, 35	741	639	7	646	12.8
3321, 22	170	125	11	136	20.0
3311, 31	92	80	22	102	9.8
3313	90	82	4	86	4.4
3301, 62, 69	44	40	1	41	6.8
3324, 25	53	43	3	46	15.1
3339	62	55	1	56	9.7
3356, 57	43	41	0	41	4.7
3398, 99	42	39	0	39	7.1
3341	39	33	0	33	15.4
3333	29	26	2	28	3.4
3332	9	8	0	8	11.1
Total	5,167			4,674	

$$T_n = \text{net energy efficiency improvement target} = \frac{A-D}{A} \times 100$$

$$T_n = \frac{5,167 - 4,674}{5,167} \times 100 = 9.5 \text{ pct use 10 pct}$$

VI. FINAL TARGET DEFINITION

A. *Comments and impact on proposed target.* Testimony given at the December 9, 1976, public hearing and timely written comments have been thoroughly reviewed. The comments raised 10 general issues, as described below, and were primarily confined to the steel, aluminum, iron foundries, or copper components.

1. *Time constraints.* Several organizations raised the issue of insufficient time being allowed to obtain data sufficiently accurate to derive a meaningful energy efficiency improvement target. The time allowed to set the targets was prescribed by Section 374 of the EPCA which also specified that the

targets should be based on the best available information. It should be noted that section 374(d) provides a mechanism whereby the targets as established can subsequently be modified. Accordingly, no further delay is warranted.

2. *Definition of economic practicability.* Virtually all of the public testimony stressed the importance of properly defining economic practicability and applying this criteria on an individual company basis in order to properly determine when investments in energy conservation should be undertaken. FEA fully recognizes the individual financial character of the companies which make up each four-digit classification. Much deliberation was given to considerations of the avail-

ability and cost of capital in the primary metals industry, and a method was derived to assist in the assessment of the maximum practicable investment for metal producing companies. On the basis of these considerations, FEA believes that the methods used to assess economic practicability were reasonable for setting a target.

3. *Variable production rates.* The issue was raised that lower production rates for several of the primary metal industries in the years between 1972 and 1980 could lead to significant increases in unit energy consumption and could therefore prevent attainment of the desired energy efficiency improvement. This problem was considered in the target support document which acknowledged that, in a period of depressed production, a plant or industry component may indeed show an increased use of energy per unit of output. The target document also pointed out, however, that if energy conservation has been effective, this will be revealed when production returns to its higher level. Lacking information to the contrary, this study assumed that the production rates for 1980 would at least equal those for 1972. Accordingly, no changes in the target due to this matter are warranted.

4. *Importance of recycling scrap.* Several comments pointed out the need to obtain increased amounts of purchased outside scrap in order to attain the energy conservation potential of these SIC 33 components. The availability of increased amounts of scrap for implementing the energy conservation measure was recognized in the target support document, and the derived energy efficiency improvement target does, in fact, reflect this consideration.

5. *Importance of voluntary reporting programs.* All spokesmen who submitted testimony at the public hearings were represented by trade associations who are presently cooperating with agencies of the Federal Government in voluntarily reporting energy consumption. Comments from these spokesmen stressed their belief in the importance of these programs as a part of the national effort to conserve energy. An important observation was also made regarding the particular significance of voluntary programs for components other than steel and aluminum. Attainment of the SIC 33 target is critically dependent on the performances of the steel and aluminum components. Any failure on their part to achieve the target would significantly increase the necessary effort from the other components. Even though their results may not be numerically significant, they are significant relative to several other industries outside SIC 33 and, therefore, are of considerable importance to the national effort. FEA recognizes that the voluntary reporting programs now under way for some components of the primary metal industries are important in tracking progress toward the national goal of energy conservation.

6. *The need for incentives.* The issue was raised that achievement of the gross energy efficiency improvement target could be strongly influenced by future changes in government policies which might either adversely affect the capital spending plans of industry or offer new incentives. If future government policies adversely affect incentives or encourage additional capital investment, then attainment of the target might become either unreasonably difficult or too easily obtained, depending on the nature of the policy changes. Under these circumstances, the target might require re-examination as provided for by Section 374(d) of EPCA.

7. *Insufficient credits for conserving critical fuels.* Several comments were made relative to the conflict between reducing total

energy consumption and reducing the use of critical fuels by the substitution of coal. Present methods and systems for measuring and reporting energy conservation progress do not include any provisions for giving "credits" to those companies which rely primarily on coal-derived fuels (as, for example, the steel industry) or to those who could convert to coal as a fuel. This problem was recognized in the draft support document which charged fuel consumption at certain specified Btu values, regardless of the nature of the fuel or its scarcity. If, sometime between now and 1980, a new method for computing energy efficiency improvement targets is derived which incorporates such credits for conserving scarce fuels, then this may require re-examination of the target as provided for by Section 374(d) of the EPCA.

8. *Expectations compared with targets.* Some comments stated that the industrial expectation relative to energy conservation is lower than the target. These comments implied that a target should not call for greater conservation than an industry expects to achieve while conducting its normal business. The EPCA, however, specifies that the energy efficiency improvement target should represent the maximum feasible improvement in energy efficiency. Accordingly, it is expected that greater effort than that of normal business expectations will be required by industry to attain the target.

9. *Specific comments on energy efficiency improvement options.* A representative of the American Iron and Steel Institute (AISI) testified at the hearing that AISI had in 1974 derived a target of 8 percent for its component without consideration of special circumstances, and stated that its current view is that a target of 4.3 percent is reasonable while a target of 7.4 is possible. AISI indicated that these figures compare with a component goal of 13.5 percent for this component in the draft target documents. The most significant contention by the AISI was that the computation of conservation potential for the steel component (as detailed in Appendix N of the target support document) should be based on the tonnage of steel expected to be produced in 1980 instead of the tonnage produced in 1972. FEA believes that on the basis of the best available information, the energy conservation potential for the steel component, as derived and expressed in the target support documents, is as reasonable as the lower potential which AISI espouses. Accordingly, no change to the final target is necessary.

The Aluminum Association commented, concerning the aluminum component, that the approach used in developing programs that are technologically feasible and economically practical is reasonable and that the energy conservation projects outlined are acceptable.

Representatives of the American Mining Congress (AMC) took exception to the energy savings estimated in the copper component for housekeeping changes and at the two new smelters which are being installed at Hidalgo, N. Mexico, and Garfield, Utah. The AMC representatives admitted that housekeeping changes have cut back energy use by several percent since 1972 but stated that an additional 5 percent in further savings was not possible on the basis of technical and economic criteria. FEA recognized that the original total of estimated housekeeping savings may have been excessive due to incomplete knowledge of the economic factors involved, and, as a result of the comments has revised the estimated housekeeping energy savings from 8.46 to 3.46 percent.

The AMC comments on the two new smelters pointed out that, due to future uncertainties in constraints for environmental

controls, neither of these smelters may achieve the operational efficiencies estimated in the target support document. FEA rejects the implications that neither of these new smelters will be more efficient than the average smelter which was operational in 1972.

As shown in the table below, the net result of the amended values is to reduce the estimated energy savings for the copper component from 13 to 8 percent. This effectively increases the estimated 1980 gross target energy consumption for the copper component from 80×10^{12} Btu to 84.6×10^{12} Btu.

	Energy savings (percent)		
	Target support documents	AMC judgments	Amended values
Housekeeping changes	8.46		3.46
Flash smelter at Hidalgo, N. Mex.	2.51		2.51
Noranda smelter at Garfield, Utah	1.31		1.31
Other sources	.72	0.72	.72
Total	13.00	4 to 5	8.00

A spokesman for the American Foundrymen's Society commented that the "overall target of a reduction of 10 percent in energy consumed per ton of product, industry-wide, appears reasonable."

10. *Specific comments on special circumstances.* The support document used in deriving the proposed component goal for the copper component estimated that when special circumstances for environmental controls were considered, with regard to that component the 1980 energy consumption for that component would be 102×10^{12} Btu's. This represents an increase of 27.5 percent in energy consumption over the gross component goal for the copper component. This increase was based on an industry estimate which considered as special circumstances the effects of air-quality regulations. AMC, however, contended in its comments that the 27.5 percent figure as determined by FEA neglected the energy costs for more stringent water-quality regulations, productivity decreases due to OSHA regulations, and lower production rates and, therefore, should be revised upwards. AMC suggested, a more inclusive estimate of the energy impact of special circumstances would be a 40 to 50 percent increase. FEA recognizes that an increase over its original estimate is appropriate. Accordingly, FEA has revised the original 27.5 percent increase in energy consumption by the copper component due to special circumstances to the higher figure of 40 percent.

B. *Final target values.* The following table takes into account the revisions in the figures for the copper component and reveals the conservation picture for the entire SIC 33.

Component	10 ¹² Btu in target year, 1980 energy		
	Used at 1972 energy efficiency 10 ¹² Btu	Use if gross target is achieved 10 ¹² Btu	Use if net target is achieved 10 ¹² Btu
Copper	92	84.6	118.4
All others	5,065	4,376.0	4,572.0
Total SIC 33	5,167	4,460.6	4,690.4

As displayed in the above table, SIC 33 could lower its consumption of energy in the target year from $5,167 \times 10^{12}$ Btu's to $4,460.6 \times 10^{12}$ Btu's if the energy for special circumstances is not considered, representing a gross conservation of 14 percent in

energy efficiency improvement. After an adjustment of the gross target for special circumstances, SIC 33 could lower its consumption of energy in the target year to $4,690.4 \times 10^{12}$ Btu. This would represent a net improvement in energy efficiency of 9 percent.

The following is the energy efficiency improvement target set by FEA for SIC 33:

	Percent
Gross target, based solely on technological feasibility and economic practicability	14
Offset, based on consideration of special circumstances	5
Net target, based on technological feasibility and economic practicability plus consideration of special circumstances	9

APPENDIX H. STATEMENT OF BASIS AND JUSTIFICATION FOR THE ENERGY EFFICIENCY IMPROVEMENT TARGET FOR SIC 34—FABRICATED METAL PRODUCTS

I. INDUSTRY DESCRIPTION AND ENERGY BASE

The fabricated metal products industry comprising Standard Industrial Classification (SIC) 34 consists of 36 four-digit product classifications. This industry includes establishments engaged in fabricating ferrous and nonferrous metal products such as metal cans, tinware, hand tools, cutlery, general hardware, nonelectric heating apparatus, fabricated structural metal products, metal forgings, metal stampings, ordnance, and a variety of metal and wire products not elsewhere classified (n.e.c.). The units of output for this industry are base boxes, tons, square meters, and dollar value of shipments.

As a result of both the lack of voluntary energy conservation programs within the fabricated metal products industry and the large number of products and companies covered by SIC 34, the 36 four-digit classifications were grouped into seven components in order to establish the industry target. Four-digit SIC classifications which showed the following similarities were grouped together:

1. They collect data using similar units of output.
2. They make a similar quantitative contribution to total energy use within the fabricated metal industry.
3. They use similar processing techniques.
4. They are commonly considered to be similar.

The following table provides information on total energy consumption for SIC 34 during the 1972 base year including a breakdown, where available, of energy consumption for each four-digit classification within the seven groups.

Industry	SIC code	1972 energy consumed (10 ¹² Btu's)	Percent
Cans and barrels:			
Metal cans	3411	32.2	
Metal barrels, drums, and pails	3412	5.9	
Total		38.1	7.6
Hardware, cutlery, and tools:			
Cutlery	3421	3.5	
Hand and edge tools, n.e.c.	3423	12.0	
Hand saws and sawblades	3425	NA	
Hardware, n.e.c.	3429	21.6	
Total		37.1	7.4
Sanitary ware: Metal sanitary ware	3431	8.43	
Total		8.43	1.7

Industry	SIC code	1972 energy consumed (10 ¹² Btu's)	Percent
Forgings:			
Iron and steel forgings.....	3362	NA	
Nonferrous forgings.....	3363	NA	
Total.....		71.0	14.2
Stampings:			
Automotive stampings.....	3465	37.60	
Crowns and closures.....	3466	2.22	
Metal stampings, n.e.c.....	3469	20.40	
Total.....		60.2	12.0
Plating and coating:			
Plating and polishing.....	3471	24.3	
Metal coating and allied services.....	3479	14.37	
Total.....		38.67	7.8
General fabrication:			
Fabricated structural metal products.....	3441	NA	
Metal doors, sash and trim.....	3442	NA	
Fabricated platework.....	3443	NA	
Sheet metalwork.....	3444	NA	
Architectural metalwork.....	3446	NA	
Prefabricated metal buildings.....	3448	NA	
Miscellaneous metalwork.....	3449	NA	
Subtotal.....		89.5	
Small arms, ammunition.....	3482	NA	
Small arms.....	3484	NA	
Ordnance and accessories, n.e.c.....	3489	NA	
Ammunition, except for small arms.....	3483	NA	
Subtotal.....		50.2	
Valves and pipe fittings.....	3494	31.0	
Plumbing fittings and brass goods.....	3432	NA	
Heating equipment, except electrical.....	3433	NA	
Subtotal.....		9.1	
Screw machine products.....	3451	NA	
Bolts, nuts, rivets, washers.....	3452	NA	
Subtotal.....		27.7	
Steel springs, except wire.....	3490	NA	
Wire springs.....	3495	NA	
Miscellaneous fabricated wire products.....	3496	NA	
Metal foil and leaf.....	3497	NA	
Fabricated pipe and fittings.....	3498	NA	
Fabricated metal products, n.e.c.....	3499	NA	
Subtotal.....		38.9	
Total.....		296.4	49.3
Grand total.....		500.10	100.0

The energy sources for SIC 34 are shown below.

Form of energy	Energy consumed (10 ¹² Btu)	Percent of total
Fuel oil.....	39.8	9
Natural gas.....	212.2	48
Coal, coke.....	4.4	1
Electricity.....	97.3	22
Other.....	88.4	20
Total.....	442.1	100

A description of the seven components by four-digit classifications is provided below.

1. SIC 3411, 3412, cans and barrels, consists of establishments engaged in the manufacture of metal cans (3411) and plants producing metal shipping barrels, drums, kegs, and pails (3412).

2. SIC 3421, 3423, 3425, 3429, hardware, cutlery, and tools covers the fabrication of scissors, shears, trimmers, nonelectric razors, and razor blades (3421), a range of hand,

edge, and mechanics tools such as rasps, shovels, scrapers, and hoes (3423), hand saws, and saw blades for hand and power driven saws (3425), and a variety of products such as furniture, hardware, vacuum and insulated bottles, night latches, deadlocks, and motor vehicle hardware (3429).

3. SIC 3431, metal sanitary ware includes the manufacture of enameled iron, and pressed metal sanitary ware as well as other metal plumbing fixtures which are not enameled.

4. SIC 3462, 3463, forgings consists of the production of metal forgings and stampings on a job order basis for sale or interplant transfer (3462) and the manufacture of non-ferrous forgings (3463).

5. SIC 3465, 3466, 3469, stamping covers the manufacture of automotive stampings such as body parts, hubs, and trim (3465), metal crowns and closures such as metal bottle and jar caps and tops (3466), and metal stamping of porcelain enameled products such as household appliance housings and parts, metal garbage cans, and cooking and kitchen utensils which are stamped and spun.

6. SIC 3471, 3479, plating and coating, consists of companies engaged in anodizing, electroplating, plating, mechanical finishing and chemical treating operations (3471), and companies engaged in painting, hot dipping, engraving, and etching (3479).

7. The general fabrication component consists of 22 four-digit classifications representing 6900 establishments as follows:

(a) SIC 3441, 3442, 3443, 3444, 3446, 3448, 3449 includes the manufacture of fabricated structural metal products (3441), metal doors, sash, and trim (3442), fabricated platework (3443), sheet metalwork (3444), architectural metalwork (3446), prefabricated portable metal buildings and parts (3448), and miscellaneous metalwork (3449).

(b) SIC 3482, 3484, 3489, 3483 covers the manufacture of small arms ammunition (3482), small arms (3484), ordnance and accessories, n.e.c. (3489), and ammunition, except for small arms (3483).

(c) SIC 3494, 3432, 3433 includes the manufacture of valves and pipe fittings (3494), plumbing and heating equipment (3432), and heating equipment except electrical, including warm air furnaces (3433).

(d) SIC 3451, 3452 covers the manufacture of screw machine products (3451), and bolts, nuts, rivets, and washers (3452).

(e) SIC 3493, 3495, 3496, 3497, 3498, 3499 includes the manufacture of steel springs, except wire (3493), wire springs (3495), miscellaneous fabricated wire products (3496),

metal foil and leaf (3497), fabricated pipe and fittings (3498), and fabricated metal products, n.e.c. (3499).

II. CRITERIA FOR APPLICABILITY OF POTENTIAL CONSERVATION MEASURES

A large number of potential energy conservation measures were considered. Each potential measure was evaluated first with regard to its acceptability on the basis of demonstrated technology and then as to its economic attractiveness.

A. *Technological feasibility.* The criteria used for screening potential measures as to technological feasibility were:

1. Has the technology been demonstrated in newly designed plants?
2. Has the technology been demonstrated in retrofit installations?
3. Is the technology still in development with no prospect for use before January 1, 1980?

4. Is the effectiveness of the measure limited by the size of the plant in which it is installed?

5. Does industry accept the measure as fully demonstrated?

6. Does the potential measure satisfy environmental requirements?

7. What special materials and manpower resources are required?

The measures which passed the initial screening were then tested to conform to the following time constraints:

1. Is the total lead time required for installation and operation excessive?
2. Is extensive shut-down time required of the existing plants for retrofit installation or tie-in?

3. Is the measure consistent with plans of the industry to conserve energy?

4. Is the measure consistent with the possibility of curtailment of natural gas?

B. *Economic practicability.* Each measure that passed the technological screening was then evaluated by the following economic rating system.

1. Type of investment needed: Low investment, short payback period short lead time, score 5; intermediate, score 3; major capital investment, long payback period, score 1.

2. Degree of implementation by industry: Widely utilized by industry, score 5; intermediate, score 3; very limited utilization by industry, score 1.

3. Maturity of technology: Old technology, economics well known, score 2; new technology, economics of which are relatively unknown, score 1.

The results of the ratings are summarized in the following table.

Economic practicability rating sheet

Energy saving investment	Type of investment needed (score 1 to 5)	Degree of implementation by industry (score 1 to 5)	Maturity of technology (score 1 to 2)	Economic practicability score
Housekeeping, lighting.....	5	3	2	10
Scheduling changes.....	5	2 to 3	2	9 to 10
Housekeeping, insulation.....	4	3	2	9
Improved furnace efficiency.....	4	3	2	9
Reduced utility potentials.....	5	2	2	9
Insulating against process heat losses.....	4	3	2	9
Utilize scrap fluids as fuel.....	5	2	2	9
Low solvent coatings.....	4	3	2	9
Housekeeping, heating/cooling.....	4	2 to 3	2	8 to 9
Reduced hot working temperature.....	5	1	2	8
Changes in Materials-process specifications.....	3 to 4	1	2	6 to 7
Electroless plating.....	4	1	1	6
Waste heat recuperation/Hot to cold forging.....	2/2	1 to 2/1	2/2	5 to 6.5
Housekeeping, computer control system.....	1	1	2	4
Improved electric motor efficiency.....	1	1	2	4
Higher efficiency forging furnaces.....	1	1	2	4
Ultraviolet and pin ovens for can manufacture.....	1	1	2	4
Furnace conversion, gas to electric.....	1	1	1 to 2	3 to 4
New cold painting technology.....	1	1	1	3
New chromium plating technology.....	1	1	1	3

Those measures having ratings of 6 or above are economically practicable and their implementation into SIC 34 industries can and will improve energy efficiency by the target date of January 1, 1980. Those items ranking 3 to 5 will likely be implemented in some companies in SIC 34 and can contribute to their achievement of the ultimate target but could not be sufficiently implemented on an industry-wide basis to be considered in establishing the SIC 34 target. Items which scored below three were not considered economically practicable.

III. CAPITAL SPENDING DECISIONS AND FINANCING CONSTRAINTS

SIC 34 incorporates a great number (30,000) of companies which produce a large variety (1,000) products. Thirteen thousand companies in this industry are job shop type operations which employ less than 20 people. In the larger establishments, energy costs generally account for one percent of the dollar value of the end product and are not high enough to justify the investment unless conventional energy sources are curtailed. If more capital was available in this industry for retrofitting and building new plants, the maximum feasible energy improvement would be considerably higher. The energy efficiency improvement measures which were evaluated generally require a relatively small monetary investment and provide a short payback period.

IV. POTENTIAL ENERGY CONSERVATION MEASURES AND EFFORTS TO REDUCE USE OF PETROLEUM PRODUCTS AND NATURAL GAS

The target support documents, copies of which are available for inspection as provided for in the body of this notice, contain a detailed treatment of the consideration of potential energy conservation measures. This appendix will only discuss the major aspects.

A. *Potential measures identified.* The following suggestions represent the type of measures that were finally identified as technologically feasible and economically practicable:

1. Turn ovens and furnaces to low fire when on standby.
2. Turn off equipment when not in use.
3. Install combustion monitoring and control of ovens, furnaces, boilers.
4. Install high efficiency ovens, furnaces, boilers.
5. Use waterborne solvent systems to eliminate need for afterburners on coating ovens.
6. Install heat recuperators to recover waste heat.
7. Install catalysts in afterburners to reduce energy consumption.
8. Install process changes that would result in an overall 25 percent decrease in energy use.
9. Install combustion control on melting furnaces including monitoring, recuperation, and insulation.
10. Use single coating to eliminate double firing in porcelainizing.
11. Use coatings that do not require firing.
12. Use lower process temperatures.
13. Improve air seals and circulatory systems.
14. Improve insulation.
15. Switch from gas to electric heating.
16. Preheat make-up air.
17. Recover waste heat.
18. Use cold wash processes.

19. Improve process controls and scheduling.

20. Reduce heat loss from baths with floating spheres.

B. *Efforts to reduce consumption of petroleum products and natural gas.* As a result of natural gas shortages, many companies have converted from natural gas to fuel oil for heating. Some conversion to electric heating is occurring particularly in certain segments of the forging industry where high volume and fixed product size permits the use of electric heating. The trend over the next few years will be to equip gas-fired furnaces with dual controls to accommodate oil. On a limited scale, induction heating and resistance heating will replace gas-fired furnaces. This industry has few plans to convert to coal due to the lack of technology for greater than 50 percent of the establishments.

V. PROPOSED TARGET DEFINITION

A. *Component goals.* The detailed evaluation of the best available information resulted in the following gross energy efficiency improvement goals for each of the seven component groups of SIC 34 which were analyzed.

	Component goals
1. SIC 3411, 12: Cans and barrels, hardware, cutlery, and tools	24.7
2. SIC 3421, 23, 25, 29: Hardware, cutlery, and tools	29.7
3. SIC 3431: Sanitary ware	19.0
4. SIC 3462, 63: Forgings	30.1
5. SIC 3465, 66, 69: Stampings	31.6
6. SIC 3471, 79: Plating and coating	19.6
7. SIC 3441, 42, 43, 44, 46, 48, 49, 82, 84, 89, 93, 94, 32, 33, 51, 52, 93, 95, 96, 97, 98, 99: General fabrication	22.6

B. *Proposed two-digit gross target.* For each component, the 1980 energy use at 1972 energy efficiency in units of trillions of Btu's is shown in column A of the following table. Similarly, for each component, the 1980 energy improvement based on the projected implementation of conservation measures in units of trillions of Btu's is shown in column D. The 1980 energy use for each component as shown in column C was determined by subtracting the savings in column D from the energy use in column A. The component goals are repeated in column B. The two-digit gross target for SIC 34 was determined by subtracting the total in column C from the total in column A, dividing by the total in column A and multiplying by 100. The gross component goals were determined by performing the same evaluation for each component. The proposed two-digit gross target for SIC 34 is 25 percent.

Gross target development

Component	(A) 1980 energy use at 1972 energy efficiency (10 ¹² Btu)	(B) Gross percent improvement by 1980 for each component	(C) 1980 energy use if gross target is achieved (10 ¹² Btu)	(D) Energy improvement by 1980 for each component (10 ¹² Btu)
Cans and barrels	45.37	24.7	34.17	11.20
Hardware, cutlery, and tools	50.90	29.7	35.80	15.10
Sanitary ware	12.11	19.0	9.81	2.30
Forgings	93.60	30.1	63.49	30.1
Stampings	47.20	31.6	32.30	14.9
Plating and coating	38.87	19.6	31.25	7.62
General fabrication	298.90	22.6	231.20	67.7
Total	586.95	(1)	440.0	

$$T_g = \text{gross energy improvement target} = \frac{A - C}{A} \times 100$$

$$T_g = \frac{586.95 - 440.0}{586.95} \times 100 = 25.0 \text{ pct.}$$

C. *Special circumstances effect.* Special circumstances are conditions imposed on an industry which are beyond the control of that industry and result in the use of additional energy to manufacture the same products. Energy required for pollution control was the only special circumstance identified for SIC 34.

D. *Proposed two-digit net target.* For each component in SIC 34 the additional energy required by special circumstances was determined and recorded in column E in the table below. The gross component goals were adjusted by adding the additional energy required by special circumstances to the estimated gross target energy consumption in column B of the table below to obtain the 1980 energy use in column D for calculating the net target. The net component goals are shown in column E. The two-digit net target percentage for SIC 34 is calculated by subtracting the total in column D from the total in column A, dividing by the total in column A, and multiplying by 100. The proposed two-digit net target for SIC 34 is 24 percent.

Component group	A 1980 energy use at 1972 energy efficiency (10 ¹² Btu's)	B 1980 energy use if gross target is achieved (10 ¹² Btu's)	C Energy for special circumstances (10 ¹² Btu's)	D 1980 energy use if net target is achieved (10 ¹² Btu's)	E Net percent improvement by 1980 for each component
Cans and barrels	45.37	34.17	2.99	38.16	15.9
Hardware, cutlery, and tools	50.90	35.80	0	35.80	29.7
Sanitary ware	12.11	9.81	.03	9.84	18.7
Forgings	93.60	63.49	0	63.49	30.1
Stampings	47.20	32.30	0	32.30	31.6
Plating and coating	38.87	31.25	1.45	32.70	15.9
General fabrication	298.90	231.20	0	231.2	22.6
Total	586.95			445.4	

$$T_n = \text{net energy efficiency improvement target} = \frac{A - D}{A} \times 100$$

$$T_n = \frac{586.95 - 445.4}{586.95} \times 100 = 24.1 \text{ pct., use 24.0 pct.}$$

VI. FINAL TARGET DEFINITION

A. *Comments and impact on draft target.* Testimony given at the November 30, 1976, public hearing and timely written comments have been thoroughly reviewed. The comments generally were addressed to four general issues.

1. *Form and availability of data.* The quality of the data used in formulating the SIC 34 target and aggregation of less than optimum information into an industry wide target was the subject of comment by those companies and trade associations which have attempted to develop their own meaningful energy consumption and conservation data. FEA recognizes that the quality of the data available was not perfect, but FEA was required by EPCA 374(a) to set the target based on the best information available. Energy efficiency improvements will vary from company to company within SIC 34, depending upon the types of processes being used, the products being produced, and the age of the plant and equipment. The final target represents a goal in energy conservation for the entire SIC 34 industry and is not necessarily applicable to any one company or establishment.

2. *Definition of Btu's per unit of output.* FEA recognizes as several comments indicated that Btu's per unit of output may not be a meaningful definition of energy usage for all industries. While efforts have been made by many companies and trade associations to determine a meaningful unit which will accommodate variations in production, process changes, and capacity utilization, FEA believes no appropriate measure has been developed which would justify any changes in the target. In most instances, data on energy consumption per unit was not available. Various units of output used included the dollar value of shipments for four of the seven components, and various physical units for the others such as baseboxes of cans, tons of forgings, and square meters of plating and coating.

3. *Effects of new plant construction.* It was pointed out in the hearing that consideration must be given to companies which already have plans for constructing new plants using energy efficient technologies in the 1972-80 time period. These plants obviously cannot achieve an additional 24 percent improvement in energy efficiency. Since the energy efficiency target for the SIC 34 industry is not meant to be applied to any single plant, this comment cannot effect the calculation of the final target value.

4. *Tax incentives.* Some statements were made during the hearing that energy conservation and the use of energy-efficient processes would be more quickly implemented if tax incentives and reduced interest loans were made available to American industry. FEA has acknowledged the importance of economic incentives in the target support document under the evaluation of economic practicability.

B. *Final target values.* None of the comments submitted to FEA required any adjustment of either the proposed gross or net targets. FEA has determined that SIC 34 could lower its consumption of energy in the target year from 586.95×10^{12} Btu's to 440×10^{12} Btu's if the energy for special circumstances is not considered, representing a gross conservation of 25 percent in energy efficiency improvement. After an adjustment of the gross target for special circumstances, SIC 34 could lower its consumption of energy in the target year to 445.4×10^{12} Btu. This would represent a net improvement in energy efficiency of 24 percent.

The following is the energy efficiency improvement target set by FEA for SIC 34:

	Percent
Gross target, based solely on technological feasibility and economic practicability	25
Offset, based on consideration of special circumstances	1
Net target, based on technological feasibility and economic practicability plus consideration of special circumstances	24

APPENDIX I: STATEMENT OF BASIS AND JUSTIFICATION FOR THE ENERGY EFFICIENCY IMPROVEMENT TARGET FOR SIC 35—MACHINERY, EXCEPT ELECTRICAL*

I. INDUSTRY DESCRIPTION AND ENERGY BASE

Standard Industrial Classification (SIC) 35 divides the machinery industry into 45 four-digit product classification which are further grouped into nine three-digit classifications. Components are defined by three-digit product classification in the table below. The 1972 energy consumption of the three-digit classifications is as follows:

SIC	Industry	1972 energy consumed 10^{12} Btu	Percent
351	Engines and turbines	30.0	6.9
352	Farm and garden machinery and equipment	40.4	11.3
353	Construction, mining, and materials handling machinery and equipment	75.1	17.2
354	Metalworking machinery and equipment	57.2	13.1
355	Special industry machinery, except metalworking machinery	30.6	9.1
356	General industrial machinery and equipment	63.5	14.5
357	Office, computing, and accounting machines	25.5	5.8
358	Refrigeration and service industry machinery	59.7	13.6
359	Miscellaneous machinery, except electrical	37.4	8.5

Energy sources for SIC 35 in 1972 were:

Form of energy	10^{12} Btu	Percent of total
Coal	36.7	8.4
Natural gas	183.5	41.9
Fuel oil	41.4	9.5
Electricity	90.6	20.7
Other	88.2	19.5
Total	437.4	100

The three-digit industry components are defined as follows: 1. Engines and Turbines, SIC 351, comprises the manufacture of turbines (except aircraft), turbine generator set units, steam engines, and diesel, semi-diesel, or other internal combustion engines not elsewhere classified.

2. Farm and garden machinery and equipment, SIC 352, comprises the manufacture of tractors and other farm equipment, and snowblowers, lawn mowers and other lawn and garden equipment.

3. Construction, mining, and materials comprises the manufacture of heavy construction equipment (bulldozers, concrete mixers, pavers, power shovels), heavy mining equipment (coal cutters, rock drills and crushers, mine cars), oil and gas fired field equipment (derrick, drill rigs and drill tools), elevators and moving stairways, con-

*Target development for SIC 35, 37 was treated identically because of the similarity of the two industries.

vveyors, hoists, cranes, monorail systems, and industrial trucks, tractors, trailers and stackers for use in and around industrial facilities.

4. Metalworking machinery and equipment, SIC 354, comprises the manufacture of metal cutting and metal forming machine tools, special dies and tools, machine tool accessories and measuring devices, power driven hand tools, rolling mill machinery and other metalworking machinery not elsewhere classified.

5. Special industry machinery, SIC 355, comprises the manufacture of machinery for use by other major industries including food, textiles, paper, chemicals, and petroleum.

6. General industrial machinery, SIC 356, comprises the manufacture of pumps, ball and roller bearings, air and gas compressors, blowers and exhaust and ventilation fans, industrial process furnaces and ovens, power transmission equipment, and other general industrial equipment.

7. Office, computing and accounting machines, SIC 357, comprises the manufacture of typewriters, electronic computing equipment, calculating and accounting machines, scales and balances (except laboratory), and other general office equipment.

8. Refrigeration and Service industry machinery, SIC 358, comprises the manufacture of automatic merchandising machines, commercial laundry, dry cleaning, and pressing machines, air conditioning and warm air heating equipment, commercial and industrial refrigeration equipment, measuring and dispensing pumps, and other service industry machines not elsewhere classified.

9. Miscellaneous machinery, except electrical, SIC 359, comprises the manufacture of carburetors, pistons, piston rings, valves, amusement park equipment, pneumatic and hydraulic cylinders, flexible metal hose and tubing, and other miscellaneous machinery.

II. CRITERIA FOR APPLICABILITY OF POTENTIAL CONSERVATION MEASURES

To determine the maximum feasible energy efficiency improvement achievable by 1980, potential energy conservation measures were assessed for both technological feasibility and economic practicability.

A. *Technological feasibility.* The potential energy conservation measures which were considered may be classified into five categories.

1. Improvements or modification to equipment.
2. Changes in processes.
3. Conversions to electric power.
4. Improvements in operating practice.
5. Housekeeping improvements in buildings and services.

A potential energy conservation measure was considered to be technologically feasible only if it satisfied all the following criteria:

1. Any technology involved had to have been demonstrated preferably in an operating plant or at least in a pilot plant.
2. Any equipment to be purchased or modifications to be made, could be in operation by January 1, 1980.
3. Any modifications of equipment had to have direct application to industries involved in this study.
4. Any process change had to be technologically acceptable to the industry affected.
5. Process changes could be in operation by January 1, 1980.
6. Conversion to more available forms of energy had to be based on technology which was developed and available.
7. Changes from fuel fired to electrically heated equipment had to be based on availability of the equipment for installation by 1980.

8. Conversion to electrically heated equipment had to be based on the availability of sufficient amounts of electric power by January 1, 1980.

Technological feasibility was further constrained by secondary factors associated with the industry. Conversions to electrically powered melting and heating equipment were limited to a percentage of existing installations because delivery times for most electric induction and power distribution equipment are now more than two years. In addition, because most foundry, forge shop and heat treating shop capacity is in the Midwest, a serious impact on electric power availability would occur with complete conversion to electricity within the next two or three years. Despite the long-range potential for energy conservation by use of more efficient electric motors, FEA has concluded it would be impossible to change any large percentage of existing motors within the next few years, even if sufficient quantities were available by 1980.

Serious consideration was given to the potential for improving fuel fired heating furnace efficiency by adding insulation to the outside walls and by substituting lightweight refractories for conventional refractories. Some potential energy savings were calculated on a limited application of insulation and refractory changes. Because all furnaces have structural steel frameworks and the majority have a plate or sheet shell for enclosing and sealing the refractory construction, insulation cannot simply be added to the outside of the steelwork. In most cases it would be necessary to rebuild the furnaces completely to add insulation or to install lightweight refractories. While this will be done in some instances in the next few years, it would not be possible for all furnaces to be rebuilt by 1980.

Three estimates of 1980 energy consumption based on technologically feasible measures were made: (a) The first estimate involved implementing only those conservation measures which required capital investment for new equipment or alterations to existing equipment.

(b) The second estimate involved implementing only improved operating practices.

(c) The third estimate was the result to be achieved through implementing the conservation measures in (a) and (b).

B. Economic practicability. Only those potential conservation measures which required new or altered equipment as described in (a) above were analyzed for economic practicality. They accounted for 4.2 percent of the total 18.7 percent technologically feasible efficiency improvement. Conservation measures which required improved operating processes were not analyzed for economic practicality because their implementation can be achieved with minimal expense. The economic screening was based on the following factors:

1. Industry growth rates.
2. Energy cost projections.
3. General inflation projections.
4. Industry composite cost of capital.
5. Return on investment.
6. Capital availability.
7. Other factors, including utilization, age, location, and energy dependability.

III. CAPITAL SPENDING DECISIONS AND FINANCING CONSTRAINTS

A. Required return on investment. Seventeen energy conservation measures were found to be economically practicable for one or more of the three-digit component industries. These measures are presented below with related capital investment and energy savings.

1980 energy savings per total investment dollar period 1976 to 1979

Conservation measure	Total program investment (dollars in millions)	1980 energy savings (billion Btu)
Painting, drying catalytic incinerator	1,741.34	1,060.15
Ferrous foundry, Grey iron heat recovery process	1,665.26	913.26
Nonferrous foundry, brass melting	113.14	58.66
Painting, drying airless paint	4,353.28	2,130.32
Forging, fuel fired conversion	2,580.40	1,118.84
Nonferrous die casting, fuel fired conversion	1,148.37	414.12
Nonferrous foundry, aluminum melt	1,002.27	305.57
Nonferrous foundry, aluminum core making	160.38	48.80
Nonferrous foundry, brass casting	17.80	5.43
Ferrous foundry, malleable iron to electric conversion	10,591.66	2,327.05
Forging, electric conversion	10,433.44	1,861.62
Ferrous foundry, Grey iron to electric conversion	19,850.42	2,435.31
Powder metallurgy conversions	3,855.48	472.93
Painting, drying insulation	17,413.19	2,130.32
Heat treating, direct fired recoup	717.85	64.97
Heat treating, steel heat treat	9,266.05	717.33
Painting, baking insulation	13,236.53	603.40
Total	98,164.86	16,648.17

The hurdle rates in effect in SIC 35 as developed from industry interviews and converted from the payback periods in which they were used varied over the industry from a low of 20 percent to a high of 41.5 percent.

B. Capital spending priorities. Although a particular energy conservation measure may

be both technologically and economically feasible, constraints may exist in a company which would foreclose implementation of the measure. Among these additional considerations are:

1. Capital availability in the industry.
2. Plant utilization rates.
3. Geographic locations.
4. Lack of dependable energy supply source.
5. Likely curtailment of natural gas supply.
6. Collective bargaining agreements preventing process modification.
7. Adverse effects on employee morale or company image.
8. State and local government fiscal integrity.
9. Employment.
10. Regional economic activity.
11. Prices.
12. Low and middle income families.
13. Small business.
14. Sectoral completion.

Implementation of all economically feasible conservation programs for SIC 35 would require \$98.2 million in expenditures between 1976 and 1980. The machinery industry spent \$4.42 billion in 1974 on expansion, replacement and modernization of equipment and facilities. In 1975, the industry planned to spend \$4.45 billion. Projected expenditures for 1976, 1977 and 1978 are \$4.90 billion, \$5.18 billion and \$5.28 billion respectively. As the following table shows, an annual expenditure of \$24.55 million for conservation measures would require only a small share of total capital allocated for expenditures and would pose no restraint on implementation of the measures.

Conservation program costs (in millions of dollars)

SIC	Industry	Annual conservation program expenditures (4 year average)	1972 capital expenditures census of manufactures	Percent
351	Turbines and engines	0.99	188.1	0.5
352	Farm machinery	4.14	163.4	2.5
353	Construction machinery	5.18	275.4	1.9
354	Metallurgy machinery	2.25	218.7	1.0
355	Special machinery	2.35	164.2	1.4
356	General machinery	5.58	229.7	2.4
357	Office machinery	.76	286.6	.3
358	Service machinery	1.93	228.3	.8
359	Other, n.e.c.	1.36	149.1	.9
Total		24.54	1,903.5	1.3

IV. POTENTIAL ENERGY CONSERVATION MEASURES AND EFFORTS TO REDUCE USE OF PETROLEUM PRODUCTS AND NATURAL GAS

A detailed treatment of all the potential energy conservation measures which were considered can be found in the target support documents which are available for examination at the locations and times as indicated in the body of this notice. Only the major aspects are treated here.

A. Potential measures identified. All component industries in SIC 35 use the same basic processes for metalworking and metal-finishing. Since these processes require large amounts of energy, many potential conservation measures were aimed at these basic processes. Those measures which require significant capital expenditures and which contributed significantly to the target for SIC 35 are shown according to the associated industrial process:

1. Ferrous foundry: waste heat recuperation, electric melting.
2. Nonferrous foundry: improved charging system, waste heat recuperation, combustion control equipment, infrared heating, furnace insulation.

3. Die casting: waste heat recuperation, insulation, combustion control equipment, covers on charging wells.

4. Forging: waste heat recuperation, furnace insulation, combustion control equipment, electric heating.

5. Heat treating: waste heat recuperation.

6. Painting and coating: airless drying, catalytic incineration, insulation.

7. Powder metallurgy: waste heat recuperation, recycle atmosphere gas, furnace insulation.

The following measures were considered but eliminated by the screening process described below:

1. Nonferrous foundry: electric melting.
2. Die casting: electric melting.
3. Heat treating: cascade heat recovery, electric heating.
4. Galvanizing: conversion to electric, waste heat recuperation.
5. Painting and coating: waste heat recuperation, combustion control equipment, electric drying.

No conservation measures involving capital expenditures were identified for the following processes: electroplating, structural

and plate fabrication, stamping, blanking, forming, assembly.

Modifications in operating procedures which require insignificant capital investments are:

TYPE OF EQUIPMENT AND NATURE OF IMPROVEMENT

1. Cupola furnace: Use of optimum iron-coke ratio control; careful coke handling to reduce breakage; tuyere maintenance to reduce air losses; repair leaks in blast air piping; maintain insulation on hot blast system; and tap iron at minimum allowable temperature.

2. Electric arc furnace: Maintain refractories to minimize heat loss; maintain roof and doors to minimize heat loss; control rate of feed of electrodes; and control of furnace cycles to avoid peak loads.

3. Heating furnace: Maintain refractories and insulation; seal up openings in walls and roof; keep doors closed to minimize heat loss; adjust fuel-air ratio to optimum setting; shut down when not in use; and remove unused material from car bottoms.

4. Mechanical equipment: Good maintenance and lubrication; shut down when not in use; keep curving tools and dies sharp; drain chips and reuse cutting oils; and repair leaks in hydraulic systems.

5. Welding and brazing: Repair leaks in gas and oxygen lines; shut off torches when not in use; and maintain welding tips in good condition.

6. Washing: Use lower temperature water; combine or eliminate washing operations; and recirculate washer and rinse waters.

Additional conservation could be achieved with a minimum of capital expenditures by implementing routine housekeeping and maintenance on buildings and services. Some 25 to 50 percent of total energy consumed is expended for building heating, ventilating, air conditioning, lighting, and for other miscellaneous plant services.

A partial tabulation of these many potential improvements is provided.

AREA AND NATURE OF IMPROVEMENT

1. Buildings: Close building openings; Repair broken walls, windows; insulate walls and roofs; isolate space not used for products; and install translucent panels to reduce lighting requirements.

2. Heating, ventilating, air conditioning: Reduce temperatures of heating; increase temperature of cooling; reduce air changes per hour; recirculate air where possible; heating with waste process heat; reduce heating to minimum in nonworking areas; and close all unnecessary openings.

3. Lighting: Reduce lighting levels to minimum; turn lights out in nonworking areas; use more efficient lighting systems; and use timers to control lighting.

4. Boiler houses: Convert to coal heating; maintenance improvement on boilers; combustion control on boilers; use plant wastes for heating; and install air preheaters using waste heat.

5. Piping systems: Repair leaks in pipelines; turn off air and water nozzles; and install insulation on steam lines.

6. Electrical systems: Install efficient wiring; use power factor correction; and reduce motor sizes where possible.

B. EFFORTS TO REDUCE CONSUMPTION OF PETROLEUM PRODUCTS AND NATURAL GAS

The principal area for substituting more available energy forms for scarce energy forms are conversion of oil or gas fired boilers to coal fired boilers and replacement of fuel fired melting and heating furnaces with electric furnaces. With few exceptions, the substitution of coal or electric power for oil or gas involves replacement of equipment and this capital cost consideration has minimized conversions. Where gas or oil are not available, or where pollution control or obsolescence dictate the change, conversions have often been made, but they rarely offer a substantial return on investment where energy costs are the only consideration.

V. PROPOSED TARGET DEFINITION

A. Component goals. A detailed evaluation of the technologically feasible and economically practicable conservation measures resulted in the following gross energy efficiency improvement goals for each three-digit classifications in SIC 35.

	Component goals (percent)
SIC 351: Engines and turbines	15.5
SIC 352: Farm and garden machinery and equipment	18.5
SIC 353: Construction, mining, and materials handling machinery and equipment	17.5

SIC 354: Metalworking machinery and equipment	17.3
SIC 355: Special industry machinery, except metalworking machinery	17.3
SIC 356: General industrial machinery and equipment	16.9
SIC 357: Office computing and accounting machines	16.7
SIC 358: Refrigeration and service industry machinery	15.2
SIC 359: Miscellaneous machinery, except electrical	17.0

B. Proposed two-digit gross target. In the following table, 1980 energy use at 1972 energy efficiency is recorded for each three-digit classification in column A. Similarly, for each component, 1980 energy saving from implementing conservation measures is recorded in column B. 1980 energy consumption for each component, recorded in column C, was determined by subtracting the savings in column B from the energy use in column A. Column B repeats the component goals. The two-digit gross target percentage for SIC 35 is determined below by subtracting the total in column C from the total in column A, dividing by the total in column A and multiplying by 100.

	(A) 1980 energy use at 1972 energy efficiency (10 ⁹ Btu)	(B) Percent improvement by 1980 for each component	(C) 1980 energy use if gross is achieved (10 ⁹ Btu)	(D) Energy improvement by 1980 for each component (10 ⁹ Btu)
Component:				
351	53,504	15.5	45,209	8,295
352	77,848	18.5	63,459	14,389
353	118,863	17.5	98,004	20,859
354	99,974	17.3	82,707	17,267
355	61,637	17.3	50,979	10,658
356	102,530	16.0	86,075	16,455
357	40,180	16.7	33,488	6,692
358	93,971	15.2	79,067	14,904
359	58,805	17.0	48,791	10,014
Total	707,322	(1)	588,409	

$$T_g = \text{gross energy improvement target} = \frac{A-C}{A} \times 100$$

$$T_g = \frac{707,322 - 588,409}{707,322} \times 100 = 16.8 \text{ pct, use 17 pct.}$$

C. Special circumstances effect. Special circumstances are conditions beyond the control of the industry which require additional energy consumption. Examples of special circumstances in SIC 35 are pollution control and occupational safety and health regulations.

D. Proposed two-digit net target. For each component in SIC 35 the additional energy required by special circumstances is recorded

in column C in the following table. 1980 energy consumption for each three-digit classification was adjusted by adding this additional energy requirement to the figure in column B. The two-digit net target percentage for SIC 35 is calculated below by subtracting the total in column D from the total in column A, dividing by the total in column A, and multiplying by 100.

	(A) 1980 energy use at 1972 energy efficiency (10 ⁹ Btu)	(B) 1980 energy use if gross target is achieved (10 ⁹ Btu)	(C) Energy for special circumstances (10 ⁹ Btu)	(D) 1980 energy use if net target achieved (10 ⁹ Btu)	(E) Percent improvement if net target is achieved
Component:					
351	53,504	45,209	1,170	46,379	13.3
352	77,848	63,459	1,349	64,808	16.8
353	118,863	98,004	2,307	100,311	15.6
354	99,974	82,707	1,861	84,568	15.4
355	61,637	50,979	1,032	52,011	15.6
356	102,530	86,075	1,714	87,789	14.4
357	40,180	33,488	.692	34,180	14.9
358	93,971	79,067	1,580	80,647	13.5
359	58,805	48,791	1,118	49,909	15.1
Total	707,322	(1)		601,232	

$$T_n = \text{net energy efficiency improvement target} = \frac{A-D}{A} \times 100$$

$$T_n = \frac{707,322 - 601,232}{707,322} \times 100 = 15 \text{ pct}$$

VI. FINAL TARGET DEFINITION

A. *Comments and impact on draft target.* No testimony was presented during the public hearing scheduled for November 22 and 23, 1976, but written comments from five corporations were subsequently received. The comments were sufficiently diverse so that classification on the basis of issues was impractical. Consequently, each of the comments are treated here individually.

One comment stated that the proposed 15 percent energy efficiency target for SIC 35 is excessive and dependent on numerous uncertain factors. The comment, however, provided no information to support this contention. The proposed target is a weighted computation based on component goals derived from each component's energy consumption. The SIC 35 component goals were all sufficiently close to the proposed two digit gross target so that any corporation in any one of the components should be able to meet the composite two-digit target if it could realize the level of conservation developed for the component. On a plant-by-plant or company-by-company basis, conservation measures may have a different impact. However, FEA believes that the treatment of available data justifies the development of the proposed two-digit target.

One comment indicated a major concern with the method and accuracy of measuring actual improvements in energy efficiency. FEA recognizes that a given unit of output measurement may not be acceptable to all activities in SIC 35 and that a single unit of output can not necessarily be used for all SIC 35 component activities. Various measurement bases coupled with several indices of efficiency, such as floor area, number of employees, and product units were examined in developing the target value. The output index used was the number of production workers because statistics relative to this index were the most comprehensive.

Several comments expressed concern that appropriate and high quality data are not available for the base year 1972. 1972 was selected by FEA as the base year because it was the last full calendar year before the embargo. FEA believes that the data for 1972 used in determining the proposed target was certainly adequate to justify the target value.

A number of comments were concerned with the availability of capital for investment in energy conservation technologies. FEA believes that since energy conservation projects must compete with all other projects for investment capital, the availability of investment capital will ultimately depend upon an acceptable rate of return for the investment. SIC 35 generally faces no difficulty in raising capital for projects which meet the return on investment (ROI) criteria. Potential conservation measures were judged against each component industry's ROI criteria. Capital availability should not inhibit implementation of the identified conservation measures.

One company suggested a further special circumstances adjustment for the effect of weather on the amount of energy used in a building environment and for conditioning the make-up air for manufacturing processes, based on its own experience. FEA believes that adjustments based on individual plant operating conditions and experience are not appropriate to target setting.

Several comments indicated that the use of a target at the two-digit level is misleading and unmanageable because the industry does not operate, measure or manage its activities on a two-digit industry-wide basis. Targets at the two-digit SIC level are required by the EPCA. The target document takes cognizance of individual companies by deriving the target from a three-digit analysis

of the industry. Use of the three-digit level components closely approximate the character of the usual business operation for data gathering purposes and is consistent with reporting that is currently submitted to the Bureau of Census.

One comment suggested that the target support document lacks sufficient documentation and either a mathematical model or extrapolation of in-depth case studies. In response to this comment, FEA has reviewed the support documents and concludes that the data and methods of evaluation used in the document do support the target value.

One comment stated that the sampling of the companies and the depth of the investigation appear inadequate. FEA believes that the many data sources used were sufficient to provide an adequate target basis.

One comment questioned the commonality of processes among the three-digit product classifications. All components of SIC 35 share many of the common metalworking activities. These common processes, as further grouped in the three-digit classifications, provide an appropriate instrument for developing the target value.

One comment suggested that the conservation measures developed in establishing the SIC 35 target were for the most part already in use. The 1980 achievement deadline established by EPCA necessitated a "state-of-the-art" approach so that most of the identified measures already in use are to some extent in the industry. The SIC 35 target is based on projected energy savings to be achieved by further application of proven measures.

A final comment stated insufficient information and economic data were provided in the support documents. FEA responds that the support documents devote thirty-one pages and 10 tables to economic analysis. Additional detailed information and data are provided in the Volume I Backup Report. No additional information was received, and FEA

believes that economic practicability and capital availability received adequate treatment during the target development.

B. *Final target values.* FEA has concluded that no changes to either the energy conservation levels or the final industry target are required as a result of the public comments. The final SIC 35 energy efficiency improvement target remains unchanged.

SIC 35 could lower its energy consumption in the target year from 707.32×10^{12} Btu to 588.40×10^{12} Btu if the energy for special circumstances is not considered, representing a gross conservation of 17% in energy efficiency improvement. After adjustment of the gross target for special circumstances SIC 35 could lower its consumption of energy in the target year to 601.33×10^{12} Btu. This would represent a net improvement in energy efficiency of 15 percent.

The following is the energy efficiency improvement target set by FEA for SIC 35:

	Percent
Gross target, based solely on technological feasibility and economic practicability	17
Offset, based on consideration of special circumstances	2
Net target, based on technological feasibility and economic practicability plus consideration of special circumstances	15

APPENDIX J. STATEMENT OF BASIS AND JUSTIFICATION FOR THE ENERGY EFFICIENCY IMPROVEMENT TARGET FOR SIC 37—TRANSPORTATION EQUIPMENT¹

I. INDUSTRY DESCRIPTION AND ENERGY BASE

The transportation equipment industry, Standard Industrial Classification (SIC) 37, includes 17 four-digit product classifications. The following table shows energy consumption by each of the classifications in 1972, the base year:

SIC	Industry	1972 energy consumed (10^{12} Btu's)	Percent
3711	Motor vehicles and passenger car bodies	110.8	26.7
3713	Truck and bus bodies	12.1	2.9
3714	Motor vehicle parts and accessories	134.3	32.4
3715	Truck trailers	5.2	1.3
3721	Aircraft	32.1	7.7
3724	Aircraft engines and engine parts	24.6	5.9
3728	Aircraft parts and auxiliary equipment, n.e.c.	22.8	5.7
3731	Ship building and repairing	18.5	4.5
3732	Boat building and repairing	5.8	1.4
3743	Railroad equipment	16.1	3.9
3751	Motorcycles, bicycles and parts	4.2	1.0
3761	Guided missiles and space vehicles	9.5	2.3
3764	Propulsion units	7.6	1.8
3769	Guided missile and space vehicle parts and auxiliary equipment	2.4	.6
3792	Travel trailers and campers	3.5	.8
3795	Tanks and tank components	1.4	.3
3799	Transportation equipment, n.e.c.	2.4	.6
Total		414.3	

The Standard Industrial Classification manual (1972) defines this industry by the classes of items produced or repaired. In general, the industry includes the manufacture of equipment for transportation of passengers and cargo by land, air, and water. Important products produced by SIC 37 include motor vehicles, aircraft, guided missiles and space vehicles, ships, boats, railroad equipment, and miscellaneous transportation equipment such as motorcycles, bicycles, and snowmobiles.

II. CRITERIA FOR APPLICABILITY OF POTENTIAL CONSERVATION MEASURES

Potential conservation measures were first screened for technological feasibility and the measures that survived the first test were then screened for economic practicability. The surviving measures were then analyzed to determine their contribution to the in-

dustry target. Because of the commonality of manufacturing processes at the three-digit level in SIC 37, the technological screening was performed at that level. The economic screening was made at the four-digit level to assure accuracy, but the results were aggregated at the three-digit level. Consequently, component goals were also computed at the three-digit level.

A. *Technological feasibility.* The following criteria were used to assess the technological feasibility of any proposed energy-efficient measure.

1. The technology had to be sufficiently developed to be in operation in an actual or pilot plant.

¹ Target development for SIC 35, 37 was treated identically because of the similarity of the two industries.

2. The equipment or technical modification had to be capable of being in operation by the beginning of 1980.

3. The modification of equipment involved had to have direct application in the industries involved in the study.

4. If a process change was involved, it had to be sufficiently developed and proven by field applications to be acceptable to the industries affected.

5. Process changes had to be capable of being implemented and operational by January 1, 1980.

6. Changes to a more available form of energy had to be based on technology already available.

7. Changes from fuel fired to electrically heated equipment had to be based on availability of the equipment for installation by January 1, 1980.

8. Changes to electrically heated equipment had to be based on availability of the required amount of electric power by January 1, 1980.

Technological feasibility was further constrained by secondary factors associated with the industry. Conversions to electrically powered melting and heating equipment were limited to an identifiable percentage of existing installations because delivery times for electric induction and power distribution equipment are now more than two years in length. Additionally, since most foundry, forge shop and heat treating shop capacity is in the Midwest a serious impact on electric power availability will occur if there is a complete conversion to electric within the next two or three years. Despite the long-range potential for energy conservation by use of more efficient electric motors, FEA has concluded it would be impossible to change any large percentage of existing motors within the next few years, even if sufficient quantities were available by 1980.

Serious consideration was given to the potential for improving fuel fired heating furnace efficiency by the addition of insulation to the outside walls of steel furnaces and by substitution of lightweight refractories for conventional refractories. Some of the final energy savings are due to limited application of insulation and refractory changes. However, all furnaces have structural steel frameworks, and the majority have a plate or sheet shell for enclosing and sealing the refractory construction. Insulation cannot simply be added to the outside of the steelwork, since this would cause overheating of the steel. In most cases, it would be necessary to rebuild the furnaces completely in order to add insulation or to install lightweight refractories. While some of this can and will be done within the next few years, it would not be possible for many furnaces to be rebuilt in this way by January 1, 1980.

The final measures which were included principally involved improvements to melting and heating furnaces through improved insulation, combustion practice, waste heat recovery, conversions from fuel fired melting and heating furnaces to electric equipment, and changes in processes involving core-making and painting.

B. *Economic practicability.* The energy conservation measures which were determined to be technologically feasible were subjected to an economic analysis to determine their economic practicability. Elements of the criteria on which this analysis was based are the following:

1. Industry growth rates.
2. Energy cost projections.
3. General inflation projections.
4. Industry composite cost of capital.
5. Return on investment.
6. Capital availability.
7. Other factors, including utilization, age, location, and energy dependability.

III. CAPITAL SPENDING DECISIONS AND FINANCING CONSTRAINTS

A. *Required return on investment.* A total of 17 potential energy conservation measures were determined to be economically practicable as well as technologically feasible in one or more of the seven, three-digit components of the SIC 17 industry.

It would require \$176 million to implement all of the acceptable 17 conservation measures over the period 1976 through 1979. The energy savings generated in the year 1980 would be about 34,000 billion Btu's or the equivalent of 1.46 million short tons of bituminous coal, 5.92 million barrels of distillate fuel oil, 10.10 billion kilowatt hours of electricity or about 34x10⁶ cubic feet of natural gas. The following table shows the required capital investment and the potential energy savings for each of the 17 measures.

1980 energy saving and investment dollars per conservation measure

Conservation measure	Total program investment (in millions of dollars)	1980 energy savings (billion Btu's)
Painting: Drying catalytic incinerator	1,960.63	1,234.01
Ferrous foundry: Grey iron heat recovery process	2,929.82	1,672.09
Nonferrous foundry: Brass melting	290.56	134.39
Painting: Drying airless paint	4,901.55	2,448.01
Forging: Fuel fired conversion	12,356.51	5,560.92
Nonferrous die casting: Fuel fired conversion	1,038.11	388.81
Nonferrous foundry: Aluminum melt	2,042.45	647.89
Aluminum core making	326.81	103.66
Brass casting	36.63	11.51
Ferrous Foundry: Malleable iron to electric conversion	18,226.31	4,200.68
Forging: Electric conversion	48,879.20	9,292.75
Ferrous foundry: Grey iron to electric conversion	34,174.75	4,458.91
Power metallurgy conversion	1,121.13	141.10
Painting: Drying insulation	19,606.21	2,448.01
Heat Treating: Direct fired recoup	660.13	62.38
Steel heat treat	10,598.77	856.22
Painting: Baking insulation	17,196.57	807.55
Total	176,285.84	34,468.89

The following hurdle rates were determined for SIC 37 components from industry interviews and were converted from the pay-back periods in which they were utilized:

SIC	Industry	Hurdle rates (percent)
3711	Motor vehicles	20.0
3713	Truck bodies	
3714	Parts	
3715	Truck trailers	
3721	Aircraft	19
3724	Air engines	
3728	Air equipment	
3731	Ship building	
3732	Boat building	19
3743	Railroad equipment	
3751	Motorcycles	
3761	Missiles	
3764	Space propulsion	20
3769	Space vehicles	
3792	Campers	
3795	Tanks	
3799	Equipment n.e.c.	42

B. *Capital Spending Priorities.* Although a particular energy conservation project may be both technologically and economically feasible, there may exist overriding constraints which would foreclose ultimate implementation of a project by a firm. Among these considerations are:

- (a) Capital availability in the industry.
- (b) Plant utilization rates.
- (c) Plant age.
- (d) Geographic location.
- (e) Lack of dependable energy supply source.
- (f) Likely curtailment of natural gas supply.
- (g) Collective bargaining agreements preventing process modification.
- (h) Adverse effects on employee morale or company image.
- (i) State and local government fiscal integrity.
- (j) Employment.
- (k) Regional economic activity.
- (l) Prices.
- (m) Low and middle income families.
- (n) Small business.
- (o) Sectoral completion.

Implementation of all economically feasible conservation programs in the transportation equipment industry would require \$176 million in expenditures from 1976 to 1979. SIC 3711, the motor vehicle industry component, accounts for the largest capital investments (\$152.4 million or 86 percent of total feasible investments) and the largest potential energy saving (30,000 billion Btu's or 98 percent of total savings) of all the feasible programs. Of conservation programs available to SIC 3711, the single largest required investment is the conversion to electricity of the forging process which requires nearly \$49 million (or 28 percent) with resulting savings of 9,250 billion Btu's (or 27 percent). However, fuel fired forging conversions represent a much better savings per dollar invested. Ferrous foundry and painting conversions represent significant savings potential.

Total 1972 expenditure by SIC 37 for new plant and equipment was \$2,663 million. Thus, the largest required annual expenditure of nearly \$75 million in 1979 on the 17 feasible programs represents less than 3 percent of 1972 capital expenditures, and implementation should not be at all affected by the availability of capital funds.

IV. POTENTIAL ENERGY CONSERVATION MEASURES AND EFFORTS TO REDUCE USE OF PETROLEUM PRODUCTS AND NATURAL GAS

A detailed treatment of all potential energy conservation measures which were considered can be found in the target support documents which are available for examination at the locations and times specified in the body of this notice. This appendix will only discuss the major aspects of the assessment of potential energy conservation measures.

A. *Potential Measures Identified.* All components in SIC 37 use the same basic processes for metalworking and metal finishing. Since these processes are the principal consumers of energy in the industry, potential conservation measures were associated with these basic processes. Measures involving significant capital expenditures were identified in the table given in III (A) above.

Additional conservation measures which were considered but eliminated by the screening process are:

1. Nonferrous foundry: electric melting.
2. Die casting: electric melting.
3. Heat treating: cascade heat recovery, electric heating.
4. Galvanizing: conversion to electric waste heat recuperation.
5. Painting and coating: waste heat recuperation, combustion control equipment, electric drying.

No conservation measures requiring capital investment were identified for the following processes: electroplating, structural and plate fabrication, stamping, blanking, forming, assembly.

In addition to the process modifications which involve significant capital expendi-

tures, modifications in operating procedures were identified. These energy conserving measures for which no economic analysis was required are as follows:

TYPE OF EQUIPMENT AND NATURE OF IMPROVEMENT

1. Cupola furnace: Use of optimum iron-coke ratio control; careful coke handling to reduce breakage; tuyere maintenance to reduce air losses; repair leaks in blast air piping; maintain insulation on hot blast system; and Tap iron at minimum allowable temperature.

2. Electric arc furnace: Maintain refractories to minimize heat loss; maintain roof doors to minimize heat loss; Control rate of feed of electrodes; Control of furnace cycles to avoid peak loads.

3. Heating furnace: Maintain refractories and insulation; Seal up openings in walls and roof; Keep doors closed to minimize heat loss; Adjust fuel-air ratio to optimum setting; Shut down when not in use; Remove unused material from car bottoms.

4. Mechanical equipment: Good maintenance and lubrication; Shut down when not in use; Keep cutting tools and dies sharp; Drain chips and reuse cutting oils; Repair leaks in hydraulic systems.

5. Welding and brazing: Repair leaks in gas and oxygen lines; Shut off torches when not in use; Maintain welding tips in good condition.

6. Washing: Use lower temperature water; Combine or eliminate washing operations; Recirculate washer and rinse waters.

The potential conservation measures which could be most easily implemented with a minimum of capital expenditures involve the buildings and services in manufacturing establishments. From 25 to 50 percent of total energy consumed by SIC 37 is expended for building heating, ventilating, air conditioning, lighting, and other miscellaneous plant services. A tabulation of the more important potential housekeeping improvements is provided.

AREA AND NATURE OF IMPROVEMENT

1. Buildings: Close building openings; Repair broken walls, windows; Insulate walls and roofs; Isolate space not used for products; Install translucent panels to reduce lighting requirements.

2. Heating, ventilating, air conditioning: Reduce temperatures of heating; Increase temperature of cooling; Reduce air changes per hour; Recirculate air where possible; Heating with waste process heat; Reduce heating to minimum in nonworking areas; Close all unnecessary openings.

3. Lighting: Reduce lighting levels to minimum; Turn lights out in nonworking areas; Use more efficient lighting systems; Use timers to control lighting.

4. Boiler houses: Convert to coal heating; Maintenance improvement on boilers; Combustion control on boilers; Use plant wastes for heating; Install air preheaters using waste heat.

5. Piping systems: Repair leaks in pipelines; Turn off air and water nozzles; Install insulation on steam lines.

6. Electrical systems: Install efficient wiring; Use power factor correction; Reduce motor sizes where possible.

B. Efforts to Reduce Consumption of Petroleum Products and Natural Gas. Conservation efforts in SIC 37 vary greatly among the companies. The degree of implementation and sophistication of conservation efforts appeared to be a function

of the size of the entities with the larger companies generally demonstrating greater progress in conservation activities. No overall industry effort to reduce consumption of petroleum products and natural gas was evident. Since the industry spends less than 3 percent of its cost of operation for fuels, there is no high priority on conserving energy.

However, recurrent gas curtailments have stimulated a conversion from gas-fired equipment to oil or electricity.

V. DRAFT TARGET DEFINITION

A. Component Goals. The detailed evaluation of the best available information in the target support documents resulted in component goals as shown in the following table:

Component goals (percent)
SIC 3711, 3713, 3714, 3715: Motor vehicle and equipment..... 19.4

Gross target development

	(A)	(B)	(C)	(D)
	1980 energy use at 1972 energy efficiency (10 ¹² Btu)	Percent improvement by 1980 for each component	1980 energy use if gross target is achieved (10 ¹² Btu)	Energy improvement by 1980 for each component (10 ¹² Btu)
Component:				
3711, 13, 14, 15.....	467,169	19.4	376,388	90,781
3721, 24, 28.....	126,409	16.0	106,228	20,181
3731, 32.....	32,994	17.8	27,122	5,872
3743.....	21,870	19.7	17,571	4,298
3751, 92, 95, 99.....	15,563	18.0	12,768	2,795
3761, 64, 69.....	26,464	15.3	22,422	4,042
Total.....	690,478	(1)	562,499	

$$T_g = \text{gross energy improvement target} = \frac{A - C}{A} \times 100$$

$$T_g = \frac{690,478 - 562,499}{690,478} \times 100 = 19 \text{ pct}$$

C. Special Circumstances Effect. Special circumstances are conditions which are beyond the control of that industry and which result in additional energy consumption. Examples of special circumstances in SIC 37 are pollution control and occupational safety and health requirements such as pollution control in ferrous foundry operations, water pollution control in electroplating operations and increased ventilation to remove or to eliminate in-plant airborne particles, vapors and fumes.

D. Proposed Two-Digit Net Target. For each component in SIC 37, the additional energy required by special circumstances was determined in units of Btu's and recorded in column C in the following table. The gross component goals were adjusted by adding this additional figure to column B to obtain the 1980 net energy use in column D. The two-digit net target percentage for SIC 37 is then calculated by subtracting the total in column D from the total in column A, dividing by the total in column A, and multiplying by 100.

	(A)	(B)	(C)	(D)
	1980 energy use at 1972 energy efficiency (10 ¹² Btu)	1980 energy use if gross target is achieved (10 ¹² Btu)	Energy for special circumstances (10 ¹² Btu)	1980 energy use if net target is achieved (10 ¹² Btu)
Component:				
3711, 13, 14, 15.....	467,169	376,388	13,640	390,028
3721, 24, 28.....	126,409	106,228	2,417	108,645
3731, 32.....	32,994	27,122	,605	27,817
3743.....	21,870	17,571	,463	18,034
3751, 92, 95, 99.....	15,563	12,768	,373	13,141
3761, 64, 69.....	26,464	22,422	,451	22,873
Total.....	690,478	(1)		579,538

$$T_n = \text{net energy efficiency improvement target} = \frac{A - D}{A} \times 100$$

$$T_n = \frac{690,478 - 579,538}{690,478} \times 100 = 16.1 \text{ pct, use 16 pct.}$$

VI. FINAL TARGET DEFINITION

A. *Comments and Impact on Proposed Target.* Testimony presented at the public hearing and timely written comments have been thoroughly reviewed. Three corporations and one trade association offered comments. Several comments addressed the substance of the support documents, particularly the assessment of appropriate conservation measures. Only a few of the comments indicated specific criticism requiring reconsideration of methodology and target value.

One commenter noted that energy projections for cupola melting was different in the support documents for SIC 33 in which cupola melting is also used and that the assigned energy consumption for foundry operations in the base year also differed significantly in the two reports. FEA was aware of the different energy savings projection for cupola melting and an investigation revealed that this variation was primarily caused by differences in data sources, target synthesis methodology, and identification and inclusion of sources of energy used in each foundry. In SIC 37, only the energy requirements for the particular processes being investigated, i.e., cupola or electric melting were calculated during a company visit. Savings calculated directly from individual foundry processes will justifiably be different from a savings based on projections from the foundry as a whole. Both approaches are valid. As to the difference in baseline foundry energy, again, different data sources and methodologies are responsible for (some of) the disparity.

One comment challenged the support documents' conclusion as to the effects of the change in the quality of foundry coke. While some foundries have complained of coke quality, they did not report significant increases in coke consumption and FEA affirms its assumption of reasonably constant coke quality.

Some comments criticized the support documents for overstating the potential savings from cupola control investment and off-gas recuperation. While some major automotive producers have already made improvements in cupola operating control, FEA concludes that many other companies in SIC 37 can still make improvements in cupola operation to yield the estimated reductions in energy consumption. Many cupolas operate with an overall iron to coke ratio average of 5 or 6 to 1, when it is rec-

ognized that 8 to 1, and even 10 to 1, ratios are possible with maximum attention to all practical coke saving practices.

Some concern was voiced as to whether energy consumption due to special circumstances particularly OSHA standards under the National Emphasis Program scheduled for January 1977, were adequately considered. No offset for energy consumed to meet OSHA regulations was found to be necessary. While a major focus of future OSHA regulations will certainly be the foundry industry, recent studies suggest that means will be developed to reduce any anticipated energy requirements for compliance with future OSHA regulations. As provided by EPCA 374(d), the impact of future requirements may be assessed at any future time indicated by the Administrator.

A number of comments criticized the assumptions about data that was used for the study. While FEA recognizes that the values assigned to these assumptions might change before 1980, it was necessary to hold certain values constant to permit completion of the work. EPCA, section 374(d), provides for target reassessment and adjustment for significantly changed conditions.

It was also commented that the reports did not appear to recognize that design changes in motor vehicles to improve fuel economy could result in more energy consumptive manufacturing processes. While FEA recognizes that the addition of parts to provide for increased safety, reduced emission levels, and reduced noise levels may increase the energy necessary to produce each vehicle, FEA concludes that no change in the target value is justified at this point, because the overall impact of these additional requirements on energy consumption for production has not yet been determined. As noted above, provisions are contained in the EPCA for target reassessment and adjustment.

One criticism leveled at the target study stated that "... energy consumption which is reduced due to decreased production is not 'real' conservation." FEA recognized that decreased production can give an apparent increased improvement in energy efficiency, and this factor was considered in setting the proposed target.

There is some concern that the more advanced companies may be penalized because they implemented conservation measures earlier and, therefore, have less opportunity for improving their efficiency between 1976

and 1977. This is not a handicap because all advances made in conservation between the base year, 1972, and the target year, 1980 are to be noted.

There was some concern that conservation measures which are based on conversion to electricity should not be considered because electricity can require higher Btu expenditure at the utility rate. While strong arguments exist for central electricity generation, FEA concludes that the effects of conversion to electricity beyond the manufacturing facility are out of the scope of the target study.

Some commenters questioned the usefulness of setting two-digit goals since most companies are not operated on a two-digit basis. The two-digit target represents the most useful analysis of the best available data on energy consumption by SIC 37, and targets at the two-digit level are required by the EPCA.

B. *Final Target Values.* Since an evaluation of the above comments did not result in a revision of the proposed target value, the final SIC 37 industry target is the same as the proposed target.

SIC 37 could lower its energy consumption in the target year from 690.47×10^{12} Btu to 562.49×10^{12} Btu of the energy for special circumstances is not considered, representing a gross conservation of 18% in energy efficiency improvement. After adjustment of the gross target for special circumstances, SIC 35 could lower its consumption of energy in the target year to 579.53×10^{12} Btu. This would represent a net improvement in energy efficiency of 16%.

The following is the energy efficiency improvement target set by FEA for SIC 37:

	Percent
Gross target, based solely on technological feasibility and economic practicability	18
Offset, based on consideration of special circumstances	2
Net target based on technological feasibility and economic practicability plus consideration of special circumstances	16

[FR Doc.77-16006 Filed 6-3-77; 8:45 am]

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THURSDAY, JUNE 9, 1977

PART III



DEPARTMENT OF THE INTERIOR

Bureau of Reclamation



PROCEDURES FOR THE
IDENTIFICATION AND
ADMINISTRATION OF
CULTURAL RESOURCES

DEPARTMENT OF THE INTERIOR

Bureau of Reclamation

[43 CFR Part 422]

PROCEDURES FOR THE IDENTIFICATION AND ADMINISTRATION OF CULTURAL RESOURCES

AGENCY: Bureau of Reclamation, Interior.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document establishes policies and procedures to meet Reclamation's responsibilities in the identification, protection, preservation and maintenance of cultural resources. These regulations fulfill requirements set forth in Executive Order No. 11593 and applicable historic preservation laws.

DATE: It is the policy of the Department of the Interior to afford the public an opportunity to participate in the rulemaking process. Accordingly, interested persons may submit written comments, suggestions, or objections regarding the proposed regulations to the Bureau of Reclamation. Comments must be received on or before July 11, 1977.

ADDRESS: Comments should be submitted to the Commissioner, Bureau of Reclamation, Department of the Interior, 18th and C Streets NW., Washington, D.C. 20240, Attn.: Code 420.

FOR FURTHER INFORMATION CONTACT:

Mr. L. David Williamson, Chief, Recreation and Lands Branch, Division of Water and Land, Bureau of Reclamation, Telephone number—area code 202-343-5204.

SUPPLEMENTARY INFORMATION: It is hereby determined that the publication of this proposed regulation will not significantly affect the quality of the human environment and that no environmental impact statement pursuant to section 102(2)(c) of the National Environmental Policy Act, 42 U.S.C. section 4332(c) is required. For specific proposals requiring the Bureau of Reclamation to carry out its cultural resource responsibilities as set forth in this proposed regulation, compliance with the National Environmental Policy Act will be accomplished on an individual basis.

The following persons participated in the writing of this regulation: Ward Weakly, Archeologist, Engineering and Research Center, Denver, Colorado, telephone number—area code 303-234-4338; Jean Kujawa and Diane Gelburd, Division of Water and Land, telephone number—area code 202-343-5204.

NOTE:—The Department of the Interior has determined that this document does not contain a major proposal requiring preparation of an Inflation Impact Statement under Executive Order 11821 and OMB Circular A-107.

Dated: June 2, 1977.

GUY R. MARTIN,
Assistant Secretary
of the Interior.

Pursuant to the authority of the Secretary of the Interior contained in Executive Order No. 11593 of May 13, 1971, it is hereby proposed to establish a new Part 422 of Title 43 to read as follows:

PART 422—PROCEDURES FOR THE IDENTIFICATION AND ADMINISTRATION OF CULTURAL RESOURCES

Sec.

- 422.1 Purpose and scope.
- 422.2 Responsibilities.
- 422.3 Program procedures.
- 422.4 Coordination with other agencies and entities.
- 422.5 Program administration.
- 422.6 Records and reports.
- 422.7 Definitions.

Appendix A—Procedures to be followed by the Regional Directors for Compliance with Bureau Regulations on the Identification and Administration of Cultural Resources.

AUTHORITY: E.O. 11593, May 13, 1971.

§ 422.1 Purpose and scope.

This part sets forth regulations of the Bureau of Reclamation implementing provisions of the following public laws, Federal regulations, Departmental Manual provisions and Executive order:

- (a) Antiquities Act of 1906 (34 Stat. 225, 16 U.S.C. 431);
- (b) Historic Sites Act of 1935 (49 Stat. 666, 16 U.S.C. 461-467);
- (c) Reservoir Salvage Act of 1960 (74 Stat. 220, 16 U.S.C. 469) as amended by Pub. L. 93-291, the Historical and Archeological Preservation Act of 1974 (88 Stat. 174, 16 U.S.C. 469);
- (d) National Historic Preservation Act of 1966 (80 Stat. 915, 16 U.S.C. 470) as amended in 1973 by Pub. L. 93-54 and in 1976 by the Land and Water Conservation Fund Act, Pub. L. 94-422;
- (e) National Environmental Policy Act of 1969 (83 Stat. 852);
- (f) Executive Order No. 11593, for "Protection and Enhancement of the Cultural Environment," May 13, 1971;
- (g) "Preparation of Environmental Impact Statements Guidelines" (40 CFR Part 1500);
- (h) National Register of Historic Places (36 CFR Part 60);
- (i) "Procedures for the Protection of Historic and Cultural Properties" (36 CFR Part 800);
- (j) Protection of Properties in the National Register of Historic Places (426 DM 1);
- (k) Preservation of Historic Property (519 DM 1);
- (l) Environmental Quality (310 DM 1-3); The scope of this part embraces the elements of Executive Order 11593, Section 1, which states:

The Federal Government shall provide leadership in preserving, restoring, and maintaining the historic and cultural environment of the Nation. Agencies of the executive branch * * * shall (1) administer the cultural properties under their control in a spirit of stewardship and trusteeship for future generations, (2) initiate measures necessary to direct their policies, plans and programs in such a way that Federally-owned sites, structures, and objects * * * are preserved, restored, and maintained for the inspiration and benefit of the people, and (3)

* * * institute procedures to assure that Federal plans and programs contribute to the preservation and enhancement of non-Federally owned sites, structures, and objects of historical, architectural, or archeological significance.

§ 422.2 Responsibilities.

(a) *Secretary of the Interior.* The provisions of referenced Acts in § 422.1 assign Government-wide responsibility to Secretary of the Interior for performing the functions necessary to execute the policies prescribed in Executive Order No. 11593 and applicable historic preservation laws.

(b) *Bureau of Reclamation.* The Bureau of Reclamation has been delegated authority for the identification, protection, preservation and maintenance of archeological, cultural and historical resources affected by Reclamation actions or on Reclamation lands as set forth in Executive Order 11593 and applicable historic preservation laws. In exercising its delegated authority, it is the responsibility of the Bureau of Reclamation to identify, evaluate and nominate to the National Register of Historic Places all significant sites, structures, specimens, objects or districts of a historical, architectural, archeological, paleontological, or scientific nature on all Reclamation owned, withdrawn, or acquired lands or land in which the Reclamation acquires an interest. Reclamation is also responsible for identifying and preserving significant cultural resources in primary impact zones on non-Federal areas and areas affected by Reclamation funded or licensed activities. Reclamation shall administer such properties in compliance with national policy in an effort to preserve, rehabilitate, restore and maintain the properties as appropriate. These responsibilities shall be fully considered in project planning, construction and operation and maintenance. Reclamation responsibilities also include notification to the Secretary of the Interior when it is determined that a Reclamation project will cause irreparable loss or destruction of significant cultural resources and the preparation of an annual report of activities carried out pursuant to Pub. L. 93-291.

(1) *Federal properties.* (i) Commissioner. The Commissioner of the Bureau of Reclamation is responsible for Reclamation's compliance with Executive Order No. 11593 and provisions of the laws and regulations referenced in § 422.1. (ii) Regional Directors. It is the Regional Directors' responsibility to insure that Reclamation activities are executed according to the provisions of these regulations and the provisions of the Advisory Council's "Procedures for the Protection of Historic and Cultural Properties" (36 CFR Part 800). (iii) Archeologist, Engineering and Research Center (E&R Center). The Archeologist, E&R Center, is responsible for providing assistance to the Commissioner's office and for technical coordination of Reclamation's cultural resource program with regional offices.

(2) *Non-Federal properties.* Reclamation assumes responsibility for non-Federal areas of primary impact (responsibilities are those referenced in section 2b(1)(i)(ii)) but not secondary impact zones. Where secondary or indirect impacts on cultural resources may occur on private or non-Federal lands as a result of any Reclamation action, Reclamation shall inform, encourage compliance and advise the entities involved pursuant to the provisions of Sections 3(a), 3(d), and 3(f) of Executive Order No. 11593.

(c) *Advisory Council on Historic Preservation.* Under the provision of Section 106 of the National Historic Preservation Act, the Advisory Council must be afforded an opportunity for comment on Federal, federally assisted or federally licensed undertakings that affect properties listed in or eligible for listings in the National Register of Historic Places. In addition, the Advisory Council provides advice to the President and the Congress on national preservation policy.

(d) *State Historic Preservation Officer (SHPO).* As a state official, the SHPO acts as a liaison for purposes of implementing the National Historic Preservation Act of 1966.

§ 422.3 Program procedures.

(a) *Policy.* The Bureau of Reclamation is responsible for the identification, protection, preservation and maintenance of archeological, cultural and historical resources affected by Reclamation actions or on Reclamation lands. In all matters related to cultural resources, the Bureau of Reclamation regulations and policy memorandums from the Commissioner govern the actions of Reclamation. Particularly, when a proposal necessitates consultation with the State Historic Preservation Officer and the Advisory Council, it should be demonstrated that the established policies and procedures have been closely followed and clearly documented, particularly in the development of a Reclamation project proposal.

(b) *Survey procedures.* Cultural resource surveys should be completed on all Reclamation lands and existing projects as well as those projects currently being planned. Each planning investigation conducted by Reclamation shall include, in its initial steps, a survey of the cultural resources in the planning area. The type of survey shall be consistent with the level of detail of the planning investigation. Generally, the type of surveys to be conducted during planning investigations are:

Type of Investigation	Type of Survey
Appraisal	Phase 1
Possibility	Phase 2
Definite plan	Phase 3

These procedures allow Reclamation to effectively integrate cultural resource responsibilities into its planning process. The procedures also allow Reclamation to develop the degree of documentation required on properties eligible for nomination to the National Register of Historic Places. The different types of surveys are:

(1) *Phase I survey.* A phase I survey is primarily a records check. It consists of contact with the SHPO, State Archeologist, State Historian, State Historical Society, or other appropriate individuals, agencies or institutions to determine what cultural resources may be present in an area and what kind of additional information may be needed for an adequate inventory of cultural resources. Phase I surveys are normally undertaken at the appraisal stage of planning or during the compilation of resource base information for the Multiple Objective Planning (MOP) effort. Phase I surveys should be undertaken at the beginning of any cultural resource evaluation in order to minimize the possibility of duplication of effort. The results of a Phase I survey may be used in the evaluation of alternative plans.

(2) *Phase II survey.* A Phase II survey is an on-the-ground examination of the area to be affected by a project in an attempt to determine the presence or absence of cultural resources. This type of survey might only cover 10-20 percent of the total study area which will be studied more intensively during Phase III surveys. Phase II surveys are designed to aid in determining the necessity of a Phase III survey and may be combined with a Phase I survey or bypassed in favor of a Phase III survey.

(3) *Phase III surveys.* A Phase III survey consists of an intensive on-the-ground examination of all the areas to be affected by a Reclamation action. It is designed to locate and evaluate all cultural resources within a project area preparatory to nomination of any significant properties to the National Register of Historic Places. A Phase III survey may require excavations for the purposes of evaluation of the cultural resources. Phase III surveys should be carried out in conjunction with a definite plan report and prior to initiation of construction.

(4) *Surveys on projects during construction.* Phase III surveys should be completed before construction. In cases where completion was not possible beforehand, Phase III surveys must be completed on Reclamation projects under construction at the earliest possible date.

(5) *Surveys on completed projects.* Surveys on Reclamation-administered lands not previously surveyed for significant cultural resources shall begin with a records check (see § 422.3(b)(1)). On-the-ground examinations of the area (see § 422.3(b)(3)) should then be conducted unless adequate surveys have already been performed to determine significant cultural resources.

(c) *Identification of significant cultural resources.* Regional Directors have a continuing responsibility to inventory and nominate to the National Register of Historic Places all pertinent cultural resources on Reclamation property or lands that are, or may be, affected by Reclamation undertakings and to ensure the full consideration of such resources during project planning, construction

and/or operation and maintenance. When significant cultural resources are identified, the procedures prescribed by these regulations and the Advisory Council on Historic Preservation (36 CFR Part 800) shall be followed to ensure compliance with the requirements of the National Environmental Policy Act of 1969 (NEPA) concerning historical and cultural matters and the provisions of section 106 of the National Historic Preservation Act of 1966 and sections 1(3) and 2(b) of Executive Order No. 11593 (see Appendix A—Procedures to be followed by the Regional Directors for Compliance with Bureau of Reclamation Regulations on the Identification and Administration of Cultural Resources). Nominations to the National Register of Historic Places and requests for consultations with the Advisory Council shall be reviewed by the Archeologist, Engineering and Research Center, The Archeologist, E&R Center, shall also be kept informed of all procedures and actions involving any cultural resources.

(d) *Identification of properties listed in the National Register of Historic Places.* At the earliest stages of planning, the National Register of Historic Places and supplemental National Register listings shall be consulted to determine whether any National Register properties exist within the area affected by a proposed Reclamation project. The National Register and regional records shall also be examined for listed properties on lands under Reclamation administration.

(e) *Identification of properties that qualify for nomination to the National Register of Historic Places.* Cultural resources in areas affected by Reclamation projects and lands under Reclamation administration must be identified to determine whether they are eligible for nomination to the National Register. If an area does not have a list of significant cultural resources as a result of historical, archeological and architectural surveys, a Phase III survey of the area by historians, architects, archeologists and/or other appropriate specialists may be necessary. These examinations shall be conducted and reports prepared for the National Register if significant cultural resources are found. Resources that appear to be eligible for the National Register must be specifically considered during the planning investigations.

(f) *Determination of eligibility for the National Register.* All properties that may qualify for the National Register shall be recorded on the National Register Inventory—Nomination Forms (National Park Service Form 10-306). Determination of National Register eligibility and nomination shall be pursued by the Regional Director in consultation with the Archeologist, E&R Center. Copies of the nomination forms shall be forwarded to the SHPO for his comments with information copies provided to the State Archeologist, State Historian and the Commissioner of Reclamation. Completed nomination forms, with the

SHPO's comments, are to be submitted to the Archeologist, E&R Center, for final review and processing.

(g) *Determination of effect.* When it is determined that a significant cultural resource is likely to be affected by any Reclamation action, the Advisory Council's procedures (36 CFR Part 800) and application of "Criteria of Effect" (36 CFR 800.4) must be followed. This includes requests for comment from the Advisory Council on proposals that may result in the transfer, sale, demolition, or substantial alteration of a property determined to be eligible for National Register nomination. (1) Consultation with State Historic Preservation Officer and Advisory Council. Determination of effect shall be considered in consultation with the SHPO. Consultations under the National Historic Preservation Act (NHPA) Section 106 or Executive Order No. 11593 Section 2(b) shall be initiated soon after basic alternative proposals have been outlined and before a feasibility study has been completed or the project has been authorized by the Congress. The completion of a memorandum of agreement with the SHPO and the Advisory Council should coincide with the Environmental Impact Statement (EIS) process. (2) *Determining No Effect.* Determination that a Reclamation action will have no effect upon a significant cultural resource must be documented and must be the result of professional determination based on the application of the "Criteria of Effect" (36 CFR Part 800.4). Should such a finding ensue, the Regional Director shall seek the concurrence of the SHPO under the Council procedures and in consultation with the Archeologist, E&R Center. Should the SHPO agree, the undertaking may proceed without further consultation. (3) *Determining No Adverse Effect.* If it is determined that a Reclamation action will affect a significant cultural resource, but that the effect will not be adverse, the Regional Director shall obtain the views of the SHPO. If the SHPO agrees, or if he disagrees but the Regional Director still believes that the effect will not be adverse, the Regional Director shall provide a documented determination of no adverse effect, together with a copy of the views of the SHPO, to the Executive Director of the Advisory Council, after consultation with the Archeologist, E&R Center. Unless the Council objects to the Regional Director's findings within 45 days, the undertaking may proceed without further consultation. (4) *Determining Adverse Effect.* Should it be determined that there will be an adverse effect on a significant cultural resource, the Regional Director shall submit the documentation (preferably as part of the Draft Environmental Impact Statement and/or Assessment when one is required) to the Advisory Council after consultation with the Archeologist, E&R Center. Consultation with the SHPO and the Advisory Council should then be initiated in accordance with the instruc-

tions set forth in the Council procedures (36 CFR Part 800). (5) *Mitigating Measures.* When it is determined that a Reclamation project proposal or action may occasion adverse effects on cultural resources, measures shall be instituted to avoid, reduce or counter those effects. The purpose of mitigating measures is to reduce the total adverse environmental impact of a proposal. Mitigating measures are specific, integral parts of existing or proposed projects. In the various project planning stages, for example, mitigating measures may take the form of avoidance of adverse effects from construction. Such measures may be accomplished through full interdisciplinary consideration of cultural resources during administration and planning and selection of development sites that contain no cultural resources or have one within the immediate vicinity. Total avoidance of adverse effects should always be attempted.

(h) *Environmental Impact Statement (EIS) as notification to the Advisory Council.* When it is determined that a Reclamation project or a project for which the Bureau has lead agency status (for preparation of an EIS) will have an effect upon any significant cultural resource, the Advisory Council and Secretary of the Interior must be notified. Notification shall be accomplished through documentation of the effects incorporated in the Draft Environmental Impact Statement and/or Assessment. By combining related actions requiring compliance with NEPA, NHPA (Section 106) and Executive Order No. 11593 (Section 2(b) and 1(3)), repetitive and burdensome reviews should be eliminated. When the final Environmental Impact Statement and/or Assessment has been completed but cultural resources, which might be affected, are located during construction, the Commissioner shall be notified and he will notify the Secretary of the Interior in writing. Appropriate measures to determine effect and mitigation shall be undertaken.

(i) *Notification of significant cultural resources when an Environmental Impact Statement is not applicable.* When cultural resources are identified and/or might be affected but no Environmental Impact Statement and/or Assessment is required, notification shall follow the above-mentioned procedures with the exception of preparation of an EIS. In such cases, documentation of effect on cultural resources and any mitigation plans shall be submitted to the Advisory Council on Historic Preservation, after its review by the Archeologist, E&R Center.

(j) *Demolition of structures or land modification.* Pending completion of cultural resource surveys on Reclamation-administered lands, any request to demolish a structure, or modify Reclamation lands, must be preceded by a professional examination for cultural significance against the published criteria of the National Register of Historic Places. Any proposal to demolish a structure

that may qualify for nomination, or to modify land that may contain significant cultural resources, is an action requiring consultation with the SHPO and the Advisory Council under Section 2(b) of Executive Order No. 11593. It is Reclamation policy to preserve all significant cultural resources, but if overriding considerations necessitate the removal of a significant structure, or land modification, demolition or modification should not be initiated until completion of procedures as required by Section 106 of the National Historic Preservation Act of 1966, and Section 2(c) of Executive Order No. 11593.

(k) *Mitigation plans.* When a Reclamation action or proposal will cause the destruction or significant alteration of a cultural resource, positive measures to mitigate unavoidable adverse effects must be determined. In the various project planning stages, mitigating measures may take the form of avoidance of adverse effects from construction. In Reclamation proposals, mitigating measures shall be included in the draft EIS and project planning reports and must be implemented during construction and operation and maintenance. Project planning reports and the final EIS must identify adverse impacts and have a commitment to a practical mitigation plan for the recovery of archeological, historical or other cultural data from the threatened resource. Mitigation measures should be appropriate to the individual case and meet the requirements of historic preservation laws and policy.

(l) *Mitigation measures may include* recording by photographs and measured drawings of cultural resources about to be lost or altered; archeological excavation to recover data and materials; removal of structures or salvage of architectural features; or other steps that will ensure full knowledge of the lost or endangered cultural resources together with the preservation of such physical features as may be possible. The measures should include provision for publication of information thus gained and deposition of recovered artifacts and materials where they may be of public and educational benefit. Such recordation of cultural resources about to be destroyed or altered by Federal action is required by Section 2(c) of Executive Order No. 11593.

(2) Section 2(f) of Executive Order No. 11593 specifies certain provisions for historic preservation in the event of the transfer or sale of cultural resources to other agencies or owners. If property is to be removed from Reclamation's jurisdiction or control, provisions for the protection of cultural resources shall be integrated into the action in conformance to the requirements of section 2(f). Such provisions would constitute mitigation of any adverse effects on cultural resources that might occur as an indirect result of the transfer.

(1) *Curatorial responsibilities.* The Bureau of Reclamation is responsible for the delegation of curatorial responsibilities of materials recovered from cultural

resource studies. Materials recovered from Federal lands are the property of the United States. Normally, these materials will be maintained at the institutional facility of the principal investigator. The Regional Director, in consultation with the Archeologist, E&R Center, may also make arrangements with museums and/or universities to provide storage and curatorial services if the investigating institution lacks adequate facilities. After completion of the necessary analysis and report, these materials may be used by the holding institution, if not required by Reclamation for interpretive displays.

§ 422.4 Coordination with other agencies and entities.

Coordination with other agencies and entities having responsibilities for preservation of cultural resources is required in all phases of project planning and execution. Specifically, designated agencies for coordination and review of project impacts on cultural resources include the National Park Service, Advisory Council on Historic Preservation, and the appropriate State Historic Preservation Officer. Coordination should also be maintained with other public interest groups, State Archeologists and Historians, State and local archeological and/or historical societies, other State and Federal agencies, institutions, foundations, or individuals with special interests or expertise in cultural resources.

If lands administered by, or in coordination with, another Federal agency will be affected by any Reclamation action, then close coordination with that agency's representative for historic preservation shall be required to develop appropriate cultural resource preservation and mitigation measures.

§ 422.5 Program administration.

Regional Directors shall establish a program to ensure the identification, consideration and protection of cultural resources on proposed and existing Reclamation projects under their jurisdiction.

(a) *Funding.* The funding of cultural resource surveys, recovery, and maintenance work falls within the purview of Public Law 93-291 (88 Stat. 174), the 1974 Amendment to the Reservoir Salvage Act of 1960 (74 Stat. 220). This Act provides authority for Reclamation to request appropriation of up to one percent of the total cost of a project for cultural resource survey and recovery work. The one percent limitation applies to total project cost and includes money expended during the postauthorization period, money allocated for future work, but does not include money expended for preauthorization (planning) activities. Costs for cultural resource surveys and preservation during planning and construction stages as well as operation and maintenance stage shall be considered as nonreimbursable project costs.

The use of consultant services is permitted, in accordance with existing procedures and procurement restrictions,

where the required special expertise is not available within Reclamation. Determination of the specific needs and necessary input (i.e. agency, institution, or professional) should be made individually for each project in consultation with the appropriate Reclamation personnel.

(b) *Contracts.* Contracting for services may be either direct, with approved professional sources, or, in unusual cases, through transfer of funds. Where possible, regional offices should contract directly with qualified agencies, firms, institutions or individuals for the necessary studies. Direct contracting will enable the Bureau of Reclamation to maintain more effective internal control and should facilitate less expensive and more expedient surveys. All direct contracts, purchase orders or transfers of funds for cultural resource studies and the selection of contractors shall be reviewed by the Archeologist, E&R Center, prior to final execution of contracts or transfer agreements.

(c) *Packaging of related actions.* Related actions requiring compliance with the National Historic Preservation Act (Section 106), and Executive Order No. 11593 (Section 2(b), or Section 1(3)) should be grouped together, to the extent possible, to eliminate repetitive and burdensome reviews. In individual areas, it is advisable to obtain the most inclusive possible compliance with Section 106 and Section 2(b) during planning. In some cases, it may be possible to package all future Section 106 actions on a number of sites into one consultation on an overall plan. In other cases, consultation on the plan may identify specific aspects of the plan that will require renewed Section 106 consultations when more detailed proposals are developed and affected resources are more completely identified. The Archeologist, E&R Center, shall, upon request, advise the Regional Director informally in the initiation of such "programmatic" Section 106 consultations.

§ 422.6 Records and reports.

(a) *Record of actions involving cultural resources.* A record shall be kept of all Reclamation actions involving cultural resources. These records shall include, but are not limited to, contracts for survey and completion reports, nomination forms, testing and salvage reports and correspondence, records of past actions, as well as pertinent information which will aid future Bureau actions in regard to cultural resources.

(b) *Technical reports.* All technical reports received on surveys, studies, or mitigation efforts shall be reviewed for technical accuracy, completeness, and adequacy by the Archeologist, E&R Center, and other he may designate, prior to Reclamation's acceptance of completed contractual obligations. All technical reports generated as a result of surveys, studies, or mitigation efforts will include copies of the following:

- (1) Commissioner.
- (2) Regional Director.
- (3) Archeologist, Engineering and Research Center.

(4) Advisory Council on Historic Preservation.

(5) The State Historic Preservation Officer.

(6) State Archeologist.

(7) State Historian.

(8) Regional Director, National Park Service in region concerned.

(9) Denver or San Francisco Office of Interagency Archeological Services, National Park Service.

(10) Representatives of other Federal agencies whose lands may be affected.

(c) *Annual reports.* The Commissioner will be responsible for preparing the annual report to the Secretary of the Interior on actions taken, under the provisions of the Reservoir Salvage Act of 1960 (74 Stat. 220, 16 U.S.C. 469) as amended 1974 (88 Stat. 174, 16 U.S.C. 469).

§ 422.7 Definitions.

For purposes of this part: (a) "Advisory Council" refers to the Advisory Council on Historic Preservation, established pursuant to Title II of the National Historic Preservation Act of 1966 (NHPA), consists of 29 members; 12 members appointed by the President, 14 agency heads, and 2 representatives from private interests. Under the provisions of Section 16 of the National Historic Preservation Act, the Advisory Council must be afforded an opportunity for comment on Federally assisted or federally licensed undertakings in the National Register of Historic Places. In addition, the Advisory Council provides advice to the President and the Congress on national preservation policy.

(b) "Appraisal Investigation" refers to the first stage in the planning process and is a study focusing on potential water and land resources for a selected area or basin. It identifies alternative plans using applicable planning procedures. Detailed investigation of the alternatives is undertaken in later feasibility studies.

(c) "The Archeologist, E&R Center" refers to Reclamation's chief archeologist stationed in the Engineering and Research Center, Denver, Colorado.

(d) "Commissioner" refers to the Commissioner of the Bureau of Reclamation.

(e) "Consultation" consists of the act of seeking advice or conferring with another party. A time frame should be specified and a reasonable response period negotiated.

(f) "Cultural Resource" refers to any building, site, district, structure, or object significant in history, architecture, archeology, culture, or science.

(g) "Definite Plan" means the stage of planning undertaken following authorization for construction. The definite plan report is used as the basis for project construction.

(h) "Department" refers to the United States Department of the Interior.

(i) "District" means a geographically definable area, urban or rural, possessing a concentration of significant cultural resources.

(j) "Feasibility Investigation" refers to the second planning stage where applicable planning procedures are imple-

mented in detail and alternatives evaluated. The results of feasibility investigations are normally utilized to obtain authorization for construction.

(k) "Federally Licensed Activity" refers to construction or development work carried out under specific Federal licenses or Reclamation small loans to private individuals or corporations.

(l) "Historic" or "historical" refers to any significant cultural resource that is related or associated with the period of written records or for which written documentation is available.

(m) "Historic Scene" means an area of historic or prehistoric significance. The historic scene may have been altered or the cultural resources may have visibly changed to the extent that modern developments, exotic or altered vegetation, or topographic changes have intruded upon the environment.

(n) "Land Modification" is any major action that would result in a permanent or temporary disturbance of the land. Examples of land modification would be construction activity, the development of new facilities and/or expansion of existing facilities and includes, for example, the building of roads, delivery systems or recreation areas.

(o) "Mitigating Measures" are positive steps that will be taken to reduce or ameliorate adverse effects identified as probable or possible.

(p) "National Register" refers to the National Register of Historic Places. It is the register of districts, sites, buildings, structures and objects significant in American history, architecture, archeology and culture. The register is maintained by the Secretary of the Interior under the authority of Section 2(G) of the Historic Sites Act of 1935 (49 Stat. 666, 16 U.S.C. 461) and section 101(a) (1) of the National Historic Preservation Act of 1966 (80 Stat. 915, 16 U.S.C. 470). The entire National Register is published every February in the Federal Register and addenda are published on Tuesdays.

(q) "Object" (or artifact) means any material thing of functional, aesthetic, cultural, symbolic, or scientific value, which is usually by nature or design movable. Objects are ordinarily regarded as museum specimens.

(r) "Prehistoric" or "prehistorical" refers to any cultural resource that is not related or associated with the period of written records or for which no written documentation is available.

(s) "Primary Impact Zones" are those Federal or non-Federal areas immediately affected by a construction project and includes, for example, power transmission permits or a water delivery system (the pipeline, pumping station, storage tank, etc.) necessary to secure and deliver water.

(t) "Professional Examination" consists of an investigation of the cultural resource or resources by a qualified professional. A "qualified professional" is an archeologist, architect, historian or other appropriate person recommended by the Archeologist, E&R Center, and/or State Historic Preservation Officer, State Historian and State Archeologist.

(u) "Reclamation" means the Bureau of Reclamation, a subordinate organization of the Department of the Interior.

(v) "Reclamation Action" refers to any Bureau of Reclamation undertaking, project proposal or an operation and maintenance activity.

(w) "Regional Director" means the administrative head of each major geographic subdivision (region) of the Bureau.

(x) "Secondary Impact Zones" are the Federal and non-Federal areas ultimately affected as a result of a construction project but lies outside of, or beyond, the primary impact zone. It includes areas developed as a result of the availability of water, such as fields, residences, etc.

(y) "Secretary" refers to the Secretary of the Interior.

(z) "Significance" should be determined on the basis of the published criteria of the National Register of Historic Places or in consultation with local interest groups, the SHPO and the Archeologist, E&R Center.

(aa) "Site" is a location upon which occurred or which is associated with important historic or prehistoric events, persons or cultures. It may be an area which was subjected to sustained historic or prehistoric activity of humans, sometimes featuring changes in topography or in the ecosystem produced by human activity. Examples are battlefields, historic campgrounds, ancient trails or gathering places, deposits of cultural debris and historic farms.

(bb) "State Historic Preservation Officer (SHPO)" refers to the official within each State, authorized by the State at the request of the Secretary of the Interior, to act as a liaison for purposes of implementing the National Historic Preservation Act of 1966.

(cc) "Structure" means the work of humans, either prehistoric or historic, and is usually by nature or design immovable. Examples are buildings of various kinds, dams, canals, bridges, fences, military earthworks, Indian mounds, historic roads, mill races, ponds, etc.

(dd) "Survey" refers to an examination of an area in order to locate and evaluate the cultural resources that are, or may be, present. In planning investigations there are three different levels of survey: (1) Phase I survey to locate documented information on cultural resources in a specified area; (2) Phase II survey, an on-the-ground examination of the affected area to determine presence or absence of cultural resources; and (3) Phase III survey, an intensive on-the-ground examination of all the areas to be affected by a Bureau project. In operation and maintenance, Phase III surveys are to be completed on all property under Reclamation control.

APPENDIX A—PROCEDURES TO BE FOLLOWED BY THE REGIONAL DIRECTORS FOR COMPLIANCE WITH BUREAU OF RECLAMATION REGULATIONS ON THE IDENTIFICATION AND ADMINISTRATION OF CULTURAL RESOURCES

1. As part of Reclamation's land administration and during development of project

plan and identification of features, consult local records, the published National Register of Historic Places and its supplements in the Federal Register to determine if any known significant cultural properties will be affected by Reclamation actions.

2. Write letter to State Historic Preservation Officer (as well as State Historian and State Archeologist in the States that have such positions) requesting whether any properties of archeological, historical or cultural significance are located in the project area or on lands administered by Reclamation.

Provide copy of letter and resulting correspondence to Archeologist, E&R Center.

3. Establish need for cultural resource surveys (Phase I, Phase II, and Phase III) in consultation with appropriate Reclamation personnel and/or the State Historic Preservation Officer, and Archeologist, E&R Center.

4. Complete required surveys and evaluate identified cultural resources against criteria for nomination to the National Register of Historic Places and/or in consultation with the Archeologist, E&R Center, and other interested parties.

Provide contract data to Archeologist, E&R Center.

5. Prepare nomination forms (WPS 10-306) for all properties meeting the criteria for nomination to the National Register of Historic Places.

Contact State Historic Preservation Officer providing copies of nomination forms and obtain his recommendation.

Forward nomination forms with SHPO's comments to Archeologist, E&R Center for review and forwarding to the Commissioner's office. Upon review, the Commissioner's office shall forward nominations to the Federal Representative who will then submit them to the National Register of Historic Places for processing of nomination.

Provide copies of nomination forms to State Archeologist and State Historian.

6. Establish effects on any cultural resource properties.

Consult with State Historic Preservation Officer and Archeologist, E&R Center to determine effects and develop proposals for mitigation where "effect" on any cultural resource are established.

7. Submit documentation of effect on significant cultural resources to the Advisory Council, after review by the Archeologist, E&R Center.

In the case of project proposals, documentation of effect shall be submitted as part of the Draft Environmental Impact Statement and/or Assessment.

Forward a copy to the Commissioner's office, code 420.

8. In the case of possible effects on any significant cultural resource, prepare Preliminary Case Report for adverse effects or determination of no adverse effect (in consultation with SHPO) for comment by Advisory Council on Historic Preservation with letter requesting Council comment and for preparation of Memorandum of Agreement.

9. Submit determination of no adverse effect or draft Memorandum of Agreement with Advisory Council on Historic Preservation and State Historic Preservation Officer to the Archeologist, E&R Center, for review prior to execution.

Forward copies to the Commissioner's office, code 420, and the SHPO.

10. Carry out mitigation program when there is a determination of no adverse effect or as described in Memorandum of Agreement.

11. Insert provisions contained in specification paragraphs, "Preservation of Historical and Archeologist Data, dated February 20, 1975, in all construction contracts.

[FR Doc. 77-16218 Filed 6-8-77; 8:45 am]

THURSDAY, JUNE 9, 1977

PART IV



DEPARTMENT OF TRANSPORTATION

Federal Aviation
Administration



AIRCRAFT ENGINE REGULATORY REVIEW PROGRAM

Invitation To Submit Proposals for
Consideration

Registered
Federal

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[14 CFR Parts 23, 25, 27, 29 and 33]

[Docket No. 16910; Notice No. 77-6]

AIRCRAFT ENGINE REGULATORY REVIEW PROGRAM

Invitation To Submit Proposals for Consideration

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice announcing a new Regulatory Review Program and inviting interested persons to submit proposals.

SUMMARY: This notice announces the agency's Aircraft Engine Regulatory Review Program and invites interested persons to submit proposals for consideration at an Aircraft Engine Regulatory Review Conference. The Review Program's objective is to—

(a) Resolve a number of regulatory issues that have been raised by aircraft engine manufacturers and others concerning the aircraft engine airworthiness standards in Part 33 of the Federal Aviation Regulations and related powerplant installation requirements in Parts 23, 25, 27 and 29 of the Federal Aviation Regulations; and

(b) Update those standards and requirements in line with service experience and the current state of the art.

DATES: Proposals must be received by FAA by August 4, 1977.

FOR FURTHER INFORMATION CONTACT: Adolfo O. Astorga, Airworthiness Review Branch (AFS-910), Flight Standards Service, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, D.C. 20591; Phone: (202) 755-8714.

ADDRESSES: Send proposals in duplicate to:

Federal Aviation Administration, Flight Standards Service, Airworthiness Review Branch, AFS-910, 800 Independence Avenue, SW., Washington, D.C. 20591

SUPPLEMENTARY INFORMATION:

BACKGROUND

The most recent major revision of Part 33, Airworthiness Standards: Aircraft Engines (14 CFR Part 33), was amendment 33-6 (39 FR 35452; October 1, 1974). This amendment was based on Notice No. 71-12 (36 FR 8383; May 5, 1971) and became effective October 31, 1974. Since the adoption of Amendment 33-6, a number of questions have been raised by interested persons concerning some of its provisions. The questions on these provisions dealt with their consistency with related standards, their intent or proper interpretation, whether they might be unnecessarily restrictive and whether they provide an adequate level of safety. The FAA notes further that several persons have petitioned for relief from certain of the Part 33 provisions affected by Amendment 33-6. In view of the above and other available information, the FAA believes that certain of the provision dealt with by Amendment 33-6 may warrant review.

The FAA believes that, in view of recent technological advances in the design of aircraft engines and recent service experience with newly type certificated aircraft engines, there may be a need to update certain provisions in Part 33 (and related powerplant installation provisions in Parts 23, 25, 27 and 29) that were not dealt with in Amendment 33-6.

The FAA wishes to obtain the participation of all interested persons in resolving the regulatory issues that may be involved. The FAA considers that the most effective procedure for attaining that objective is the Aircraft Engine Regulatory Review Program announced in this notice and the dialogue that will take place during the associated Review Conference.

Accordingly, interested persons are invited to submit any proposal they deem appropriate to amend the regulations that fall within the scope of this Regulatory Review.

SCOPE OF THE REGULATORY REVIEW

The scope of the Aircraft Engine Regulatory Review Program is limited to—

(a) Part 33 of the Federal Aviation Regulations; and

(b) The powerplant requirements, set forth in Subpart E of Parts 23, 25, 27 and 29 of the Federal Aviation Regulations, that are related to the engine standards in Part 33.

REQUIRED FORMAT AND INFORMATION

The FAA has found during past Regulatory Review programs that the processing of regulatory proposals is greatly facilitated when they are submitted in standard format and contain certain basic information.

The Appendix to this notice contains a sample of the format that should be used with several clerical guidelines. Each proposal should contain at least the following information:

- The full name or title of the proponent, or an acceptable acronym.
- The FAR section affected.
- A short title identifying the subject of the proposal in 10 words or less.
- The specific regulatory language proposed to attain the objective sought.
- The language of the current rule that the proposal would change.
- An explanation and justification of the proposal, including answers to the following questions:

- What is the background?
- Why is the proposed change necessary?
- What data, reports, records, etc., support the proposal?
- What is the probable impact (if any) on the environment, inflation, energy consumption and the traveling public?

When more than one proposal is submitted to attain the objective sought, the information in (f) above may be

placed in one of the proposals and cross-referenced in the others.

CONFERENCE AGENDA

The FAA will prepare a Conference Agenda containing a compilation of the proposals submitted, including a number of FAA proposals. The Conference Agenda will be distributed by October 3, 1977, to each person who has submitted a proposal or who has expressed an interest in this Regulatory Review. At that time, a Notice of Availability of the Aircraft Engine Regulatory Review Conference Agenda will be issued and published in the Federal Register. The Conference Agenda will provide general information on the Conference, including Conference dates and location. The agenda will also contain detailed information on the scheduling of the proposals for discussion.

Proposals received in response to this notice will not necessarily appear in the Conference Agenda. To avoid overloading the Conference, the FAA may elect to narrow the scope of the Regulatory Review as set forth in this notice by excluding certain proposals. Proposals that are received too late, are beyond the scope of this Regulatory Review, do not follow the prescribed format, or lack the essential information previously outlined, may also be excluded. Further, the FAA will exclude proposals that are not adequately justified, would require further research, or are not likely to generate fruitful discussion at the Conference.

CONFERENCE PROCEDURES

Persons who plan to attend the Conference should be aware of the following procedures which are established to facilitate the workings of the Conference:

(a) There will be no admission fee or other charge to attend and participate. All Conference sessions will be open, on a space available basis, to all persons who registered to attend. If necessary to complete the Conference Agenda, sessions may be extended to evenings or additional days. If practicable, the Conference may be accelerated to enable adjournment in less than the time scheduled.

(b) One or more committees, each chaired by the FAA, will be established to discuss the proposals in the Conference Agenda.

(c) All Conference sessions will be recorded by a court reporter. Anyone interested in purchasing the transcript should contact the court reporter directly. A copy of the court reporter's transcript will be docketed. In addition, the sessions may be tape recorded.

(d) The FAA will not consider material presented at the Conference by participants on any issue that is not contained in the Conference Agenda. Position papers or other handout material may be accepted at the discretion of the Committee Chairperson. However, enough copies must be provided for distribution to all Conference participants.

(e) Proposals appearing in the Conference Agenda will not necessarily be

included in a notice of proposed rule making. The FAA will decide, after post-Conference analysis, which proposals will be revised, expanded, or accepted without change and which will be deferred or rejected. Statements made by FAA participants at the Conference should not be taken as expressing a final FAA position.

STATUS OF PART 33 AND PRINCIPAL AIRCRAFT AIRWORTHINESS PARTS

The latest amendments to Part 33 and the principal aircraft airworthiness parts are contained in Airworthiness Review Program Amendment No. 4: Powerplant Amendments (42 FR 15034; March 17, 1977), as follows: Amendments 23-18, 25-40, 27-12, 29-13 and 33-8. These amendments became effective May 2, 1977.

PENDING NOTICES, PETITIONS, AND OTHER RULE MAKING ACTIVITY

(a) *Airworthiness Review Notice 75-31 (40 FR 29410; July 11, 1975)* This notice contains the following proposals affecting regulations that fall within the scope of this Regulatory Review. These proposals will be disposed of as part of the Airworthiness Review Program:

14 CFR:	Proposal No.
§ 23.903	8-15
§ 23.991	8-18
§ 25.939	8-45
§ 25.1103	8-46
§ 29.1103	8-73
§ 33.4	8-92
§ 33.5	8-93
§ 33.6	8-94
§ 33.19	8-95
§ 33.65	8-96
Appendix A to Part 33	8-97

(b) *ALPA petition for rule making.* The Air Line Pilots Association (ALPA) has petitioned the FAA to withdraw the effective date of Amendments 25-36 and 33-6 and to issue a Notice of Proposed Rule Making based on the ALPA comments relating to certain of the provisions dealt with in Amendments 25-36 and 33-6 (Docket No. 14133).

(c) *AIA request for relief.* The Aerospace Industries Association (AIA), on behalf of its member engine manufacturers, has requested relief from certain of the provisions affected by Amendment 33-6. In a letter dated February 14, 1977, the Administrator indicated that this request would be dealt with during this Regulatory Review program.

(d) *NTSB recommendation.* The National Transportation Safety Board (NTSB) has recommended, in Safety Recommendation A-76-64, that § 33.77 be amended by increasing the maximum number of birds in the various size categories specified for the foreign object ingestion tests. In a letter dated April 2, 1976, the Administrator informed the NTSB that its recommendation would be considered during this Regulatory Review.

PROPOSED AND FINAL RULE MAKING

The proposals in the Conference Agenda and the related discussions at the Conference will be used by the FAA in developing an appropriate notice of proposed rule making which will be published in the *FEDERAL REGISTER*. This notice when published will provide interested persons an opportunity to comment on specific proposed amendments to the Federal Aviation Regulations. Final rules adopted pursuant to that notice will be issued after consideration of all comments received.

DRAFTING INFORMATION

The principal authors of this document are Irving Fagin, Flight Standards Service, and Keith S. May, Office of the Chief Counsel.

(Secs. 313(a), 601, and 603, Federal Aviation Act of 1958 (49 U.S.C. 1354(a), 1421, and 1423), sec. 6(c), Department of Transportation Act (49 U.S.C. 1655(c)).

Issued in Washington, D.C. on June 3, 1977.

R. P. SKULLY,
Director Flight Standards Service.

APPENDIX—FORMAT FOR PROPOSALS

The format below should be used in developing proposals for consideration

during the Aircraft Engine Review Conference. In addition, each proposal should be submitted on a separate page. The text should be within margins not more than 6½ inches wide nor more than 9 inches long, so that it can be printed on 8×10½ inch paper.

SAMPLE FORMAT

Proposal: (Leave Blank)
From: Mr. John Doe
Index: (Leave Blank)
FAR: 33.67(b) (2)
Subject: Fuel system

Proposal	Current Rules
Revise § 33.67(b) (2) to read as follows:	§ 33.67 Fuel system.
§ 33.67 Fuel system.	

(b) * * * * *

(2) [Insert proposed language here]

* * * * *

(b) There must be a fuel strainer or filter between the engine fuel inlet opening and the inlet of either the fuel metering device or the engine-driven positive displacement pump whichever is nearer the engine fuel inlet. In addition, the following provisions apply to each strainer or filter required by this paragraph (b):

(1) * * *

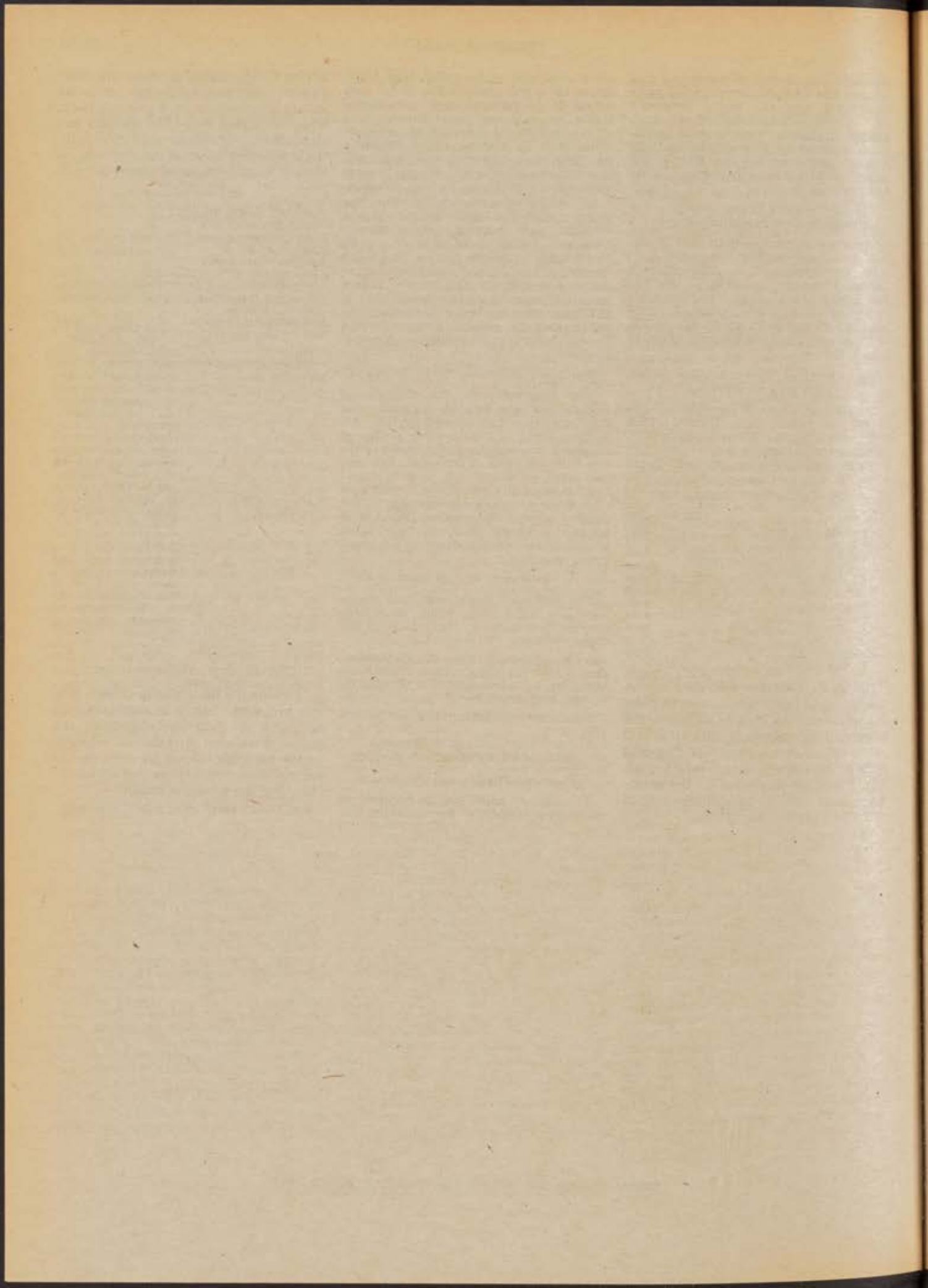
(2) It must have a sediment trap and drain except that it need not have a drain if the strainer or filter is easily removable for drain purposes.

* * * * *

EXPLANATION AND JUSTIFICATION

[Outline the background, explain why the proposed change is necessary and set forth the rationale supporting the proposed change. Include an estimate of the probable impact (if any) on the environment, inflation, energy consumption, and the traveling public.]

[FR Doc.77-16240 Filed 6-8-77;8:45 am]



Register
Federal Order

THURSDAY, JUNE 9, 1977

PART V



DEPARTMENT OF
HOUSING AND
URBAN
DEVELOPMENT

Federal Insurance
Administration



SALE AND SERVICING OF
FLOOD INSURANCE

Proposed New Requirements

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Federal Insurance Administration

[24 CFR Parts 1908, 1911, 1912, 1913, 1921, 1922 and 1923]

[Docket No. R-77-414]

SALE AND SERVICING OF FLOOD INSURANCE

Proposed New Requirements

AGENCY: Federal Insurance Administration, HUD.

ACTION: Notice of Proposed Rulemaking.

SUMMARY: The Secretary of Housing and Urban Development proposes new requirements covering the sale and servicing of flood insurance under the National Flood Insurance Program. The proposed regulations would set forth the authority and responsibilities of the Secretary as well as the duties and obligations of insurers, agents and various other members of the industry who assist in carrying out the program under contract with HUD. Moreover, the proposed regulations would assure that the industry maintains a fiscally-sound insurance system that is responsive to the insureds' needs and at the same time imposes minimum costs upon the taxpayer.

COMMENTS: July 7, 1977.

ADDRESS: Comments should be addressed to the Rules Docket Clerk, Room 5218, Department of Housing and Urban Development, 451 7th Street, SW., Washington, D.C. 20410.

FOR FURTHER INFORMATION CONTACT:

J. Robert Hunter, Acting Federal Insurance Administrator, Department of Housing and Urban Development, 451 7th Street SW., Washington, D.C. 20410, phone number 202-755-6770.

SUPPLEMENTARY INFORMATION: On August 30, 1976, the Secretary published a notice of Proposed Rulemaking in the above docketed proceeding. A Final Rule has not yet been adopted. This Notice again proposes various changes to Parts 1911, 1921, 1922, and 1923, omits the change previously proposed to Part 1924, and proposes for the first time changes to Parts 1908, 1912, and 1913. Under the National Flood Insurance Act of 1968, as amended (hereinafter referred to as "The Act"), Congress has entrusted the Secretary with the broad responsibility "... to establish and carry out a national flood insurance program" § 1304(a)). Pursuant to this, Congress has given the Secretary the authority to, among other things:

(i) Provide specifically for the general terms and conditions of insurability and the nature and limits of loss or damage which may be covered by such insurance; (§ 1306(a));

(ii) Set the premiums for coverage; (§§ 1307 and 1308);

(iii) Arrange for financing of the program (§ 1309); and

(vi) Establish the method or methods by which payment for claims may be made (§ 1312).

Pursuant to the Act, the Secretary has delegated these responsibilities to the Federal Insurance Administrator.

In addition to her other authority, and in order to carry out her responsibilities under Part A of the Act, Sections 1331 and 1332 authorize the Secretary to implement and carry out the program by encouraging the formation of and entry into agreement with an association (hereinafter referred to as the "Association"), or pool of insurers. These proposed regulations would facilitate the implementation of that authority by providing for:

(i) Issuance of Secretarial interpretation of the scope of coverage under the Standard Flood Insurance Policy (SFIP);

(ii) Establishing procedures for subcontracting by the Association; and

(iii) Setting forth financial controls to be exercised by the Association over the insurance aspects of the program.

At a minimum the objectives to be achieved by these measures are:

(i) To determine reasonable amounts to be paid to the Association under the program;

(ii) To determine flood insurance premium rates;

(iii) To secure financial statements of the program's condition and its operations; and

(iv) To assure that the Department's decisions respond at all times to the needs of the program.

One of the reasons for the issuance of these regulations is the large expansion of the existing program. When national flood insurance was first provided in 1968, participation by communities and property owners was voluntary. The Flood Disaster Protection Act of 1973 imposed conditions on Federal financial assistance for acquisition or construction of a structure in a special flood hazard area, and on federally related financial assistance, including loans from federally regulated lenders, secured by improved realty within a flood hazard area. For approval of such assistance, the community in which the property is located must be participating in the program, and the property must be insured under the program. Under this stimulus, the number of insured property owners has now increased to over one million and the number of participating communities to approximately 15,000. In order to minimize the cost burden upon the participants and taxpayers, the Secretary is proposing more efficient controls including a new system of competitive bidding.

Another reason for the issuance of these regulations is the decision in *Drewett v. Aetna Casualty and Surety Company et al.* 405 F. Supp. 877, 539 F.2d 496, (5th Cir. 1976) holding that State insurance regulatory law does not protect the holder of a Federal insurance policy. Therefore, a special responsibility is imposed upon the Secretary to assure that the program is carried out in a manner

which is fair to the insurance consumer. Pursuant to this, these regulations would permit the Administrator/Secretary to interpret the policies whenever necessary.

Under the proposed regulations, such interpretations will be published as appendices to, and incorporated by reference in, the regulations. The interpretative rulings will be published in the FEDERAL REGISTER in accordance with 5 U.S.C. 552; however, they will not be subject to 5 U.S.C. 553 providing for public comment and publication at least 30 days before the effective date.

The Secretary has determined that the proposed rules do not have a substantial impact upon the quality of environment. A finding to that effect is included in the formal docket file in the Office of the Rules Docket Clerk and is available for public inspection and copying.

NOTE.—It is hereby certified that the economic and inflationary aspects of this proposed rule have been carefully evaluated in accordance with OMB Circular A-107 and E.O. 11821.

Accordingly, it is proposed to amend 24 CFR, Chapter X as follows:

1. A new Part 1908 to Subchapter B of Chapter X of 24 CFR—Secretary's Authority—is added and new §§ 1908.1, 1908.2, 1908.3, 1908.4, 1908.5, and 1908.6 are added under that new Part to read as follows:

PART 1908—SECRETARY'S AUTHORITY

- Sec.
1908.1 Purpose and part.
1908.2 Definition.
1908.3 Services by insurance industry under Agreements with Secretary.
1908.4 Consultation.
1908.5 Appeal to the Secretary from a determination by the Administrator.

AUTHORITY: National Flood Insurance Act of 1968, as amended, Pub. L. 90-448; Flood Disaster Protection Act of 1973, Pub. L. 93-234.

§ 1908.1 Purpose of part.

The Purpose of this Part is: (a) To affirm the basic authority of the Secretary to establish and carry out a national flood insurance program, including its insurance component, pursuant to section 1304 of The Act.

(b) To provide the Association with the right to appeal to the Secretary determinations of the Administrator relative to rules and regulations.

§ 1908.2 Definitions.

The definitions set forth in Part 1909 of this subchapter are applicable to this Part.

§ 1908.3 Services by insurance industry under agreements with secretary.

(a) The Secretary is charged by Congress with the responsibility of carrying out all aspects, including the insurance facets, of the National Flood Insurance Program.

(b) Pursuant to this responsibility, the Secretary is authorized to enter into an agreement (hereinafter "The Agreement") with an Association of insurance

companies. Under this agreement the Association renders service and assistance to the Department in the marketing and selling of flood insurance policies and the adjustment of claims pursuant to the coverage afforded under the Standard Flood Insurance Policy, as interpreted by the Administrator.

(c) The Agreement will be made available to the public at the Department of Housing and Urban Development in Washington, D.C.

§ 1908.4 Consultation.

(a) *Consultation authority.* The Administration and Association shall, as necessary and appropriate, consult with each other on general and specific matters affecting the program. Consultations on general matters may be made either orally and/or in writing.

(b) *Specific consultation.* With regard to consultation on the specific matters enumerated below, the procedures set forth in paragraph (c) of this section must be adhered to:

(1) Any regulation or rule issued by the Administrator with the exception of: (i) A clarification or interpretation of the SFIP; or (ii) routine and recurring rules or regulations;

(2) Any determination by the Administrator regarding chargeable premium rates under Section 1308 of The Act;

(3) Any Association membership requirement established by the Administrator under § 1912.3(b) of this subchapter;

(4) Any notice of termination of the Agreement given by either party;

(5) Implementation by the Secretary of a government program under 42 U.S.C. 4071.

(c) *Procedure for making specific consultation.* With respect to consultations on specific matters as described in (b) of this section, the following procedures shall apply:

(1) The Administrator shall give the Association advance written notice of any such proposed action not less than thirty (30) days before solicitation of public comment, or, if public comment is not solicited, not less than thirty (30) days before the proposed action is to take effect. This notice shall be published in the *FEDERAL REGISTER* and shall contain a brief explanation of the nature of this proposed action, the basis therefor, and identification of who may be contacted for further information regarding the proposed action.

(2) The Association shall give the Administrator advance written notice of any proposed action under paragraph (b) of this section not less than thirty (30) days before the proposed action is to take effect.

(3) When practical, the party proposing the action shall, if requested, meet with the other party for the purpose of discussing the proposed action.

(4) In the case of a Regulation or rule proposed to be issued by the Administrator, the Administrator shall provide a reasonable opportunity to the Association to review and comment upon the specific language of the proposed Regulation or rule before it is published as proposed

rulemaking, or, if it is not published for public comment following the proposed rulemaking, before it is published for effect.

(d) *Administrator's authority not limited.* Nothing in this section shall be construed as limiting the legal authority of the Administrator to make an interpretation of flood insurance policies issued pursuant to The Act.

§ 1908.5 Appeal to the Secretary from a determination by the Administrator.

(a) *Objection.* The Association may, by certified mail, file a written objection with the Administrator with respect to any proposed rule or regulation that is subject to the consultation of this subchapter.

(b) *Action by the Administrator.* The Administrator shall respond in writing by certified mail to the objection of the Association within five (5) working days after receipt of the objection.

(c) *Appeal.* In the event that the Administrator overrules the objection, in whole or in part, the Association may, by certified mail, file an appeal from that determination with the Secretary. The appeal must be filed within five working days after receipt of the Administrator's determination by the Association. At that time, the Association may also request a meeting with the Secretary or his/her designate for the purpose of discussing the appeal.

(d) *Meeting.* It shall be within the discretion of the Secretary to, within fifteen (15) days after receipt of the appeal, grant the Association's request for a meeting with its representatives.

(e) *Secretary's determination.* In the event that the Secretary arranges a meeting under paragraph (d) of this section, he/she shall render a written opinion on the appeal within fifteen (15) days of that meeting. In the event that no such meeting with the Secretary or his/her on the appeal on the basis of written submissions within fifteen (15) days following its filing. If the Secretary fails to rule on the appeal during the specified time period such failure shall be deemed to be an affirmation of the Administrator's determination.

(f) *Secretary's determination final.* The Secretary's actions shall constitute a final and conclusive Departmental decision which shall be binding on both the Administrator and the Association. This decision shall be deemed to be an exhaustion of administrative remedies.

(g) *Implementation of decision.* The Secretary's determination and any final regulation or rule effectuating such determination shall be deemed incorporated into the Agreement without the execution of a formal amendment on the sixteenth day after it is rendered.

(h) *Computation of time.* (1) For purposes of this section, the period of time in which a party has to act will commence on the day after the day on which an act or event occurs. The last day of such period of time is included in the computation and any action required must be taken on or before that day.

(2) In the event that certified mail is utilized for filing purposes, the first day

to be counted for the purpose of computing the terminal date is the day following the date of delivery shown on the certified receipt.

(3) For purposes of this section, the term "working days" includes all days except: Saturdays, Sundays, legal holidays or half holidays in the District of Columbia and any other day on which the Department's offices close prior to 5:00 p.m. If the filing date falls on any day other than a business day, the document shall be filed the next business day.

(i) *Delegations of authority.* Pursuant to authority conferred by Section 7(d) of the Department of HUD Act of 1965, 42 U.S.C. 3535(d), the Secretary has delegated authority to carry out the Program to the Administrator and has also authorized the Administrator to redelegate certain of that delegated authority to subordinate employees. This delegation of authority is published at 34 FR 2680-81, February 27, 1969, and, with the exception of deciding appeals by the Association from actions or decisions of the Administrator, is applicable to the matters covered by this Part and by this subchapter, including the establishment and maintenance of consultation with the Association.

PART 1911—INSURANCE COVERAGE AND RATES

2. Section 1911.4(d) is amended to read as follows:

§ 1911.4 Limitations on coverage.

(d) The policy protects against loss to contents only at the location described in the application, except that contents necessarily removed from the premises for preservation from a flood are protected against loss or damage from flood at the new location pro rata for a period of 45 days.

3. The table of contents to Part 1911 is amended by the addition of the following new sections:

Sec.	
1911.13	Standard Flood Insurance Policy.
1911.14	Standard Flood Insurance Policy Interpretations.
1911.15	Procedures for resolution of disputes.
1911.16	Issuance of proposed interpretation.
1911.17	Clarifications.
1911.18	Implementation of interpretations and clarifications.

4. New §§ 1911.13, 1911.14, 1911.15, 1911.16, 1911.17 and 1911.18 are added to Part 1911 to read as set forth below.

§ 1911.13 Standard Flood Insurance Policy.

(a) *Incorporation of forms.* Each of the Standard Flood Insurance Policy forms included in Appendix "A" hereto ("General Property" and "Dwelling Building and Contents") and by reference incorporated herein shall be incorporated into the Standard Flood Insurance Policy.

(b) *Endorsements.* All endorsements to the Standard Flood Insurance Policy shall be final upon publication in the

FEDERAL REGISTER for inclusion in Appendix A.

(c) *Renewal certificates.* The renewal certificate included in Appendix B and by reference incorporated herein shall be the only renewal certificate for use with the Standard Flood Insurance Policy, and no other renewal certificate form shall be effective.

(d) *Applications.* The application and renewal application forms included in Appendix C shall be the only application forms used in connection with the Standard Flood Insurance Policy.

(e) *Waivers.* The Standard Flood Insurance Policy and required endorsements must be used in the Flood Insurance Program, and no provision of the said documents shall be altered, varied, or waived other than through the issuance of an appropriate amendatory endorsement, approved by the Administrator as to form and substance for uniform use, and countersigned by the Association or the authorized servicing company.

(f) *Oral and written binders.* No oral binder or contract shall be effective. No written binder shall be effective unless issued with express authorization of, and countersigned by the Association or the authorized servicing company.

(g) *New and additional coverage.* The inception date of any new or added coverage or of any increase in the amount of insurance shall be at least 15 calendar days after the date of application. This 15-day waiting period shall not apply to renewal policies (except as to additions to coverage) nor during the initial 30 calendar days from the effective date of first availability of flood insurance in any designated community.

§ 1911.14 Standard Flood Insurance Policy Interpretations.

(a) *Definition.* A Standard Flood Insurance Policy Interpretation is a written determination by the Administrator construing the scope of the flood insurance coverage that has been and is provided under the policy.

(b) *Publication and requests for interpretation.* The Administrator shall, pursuant to these regulations from time to time, issue interpretative rulings regarding the provisions of the Standard Flood Insurance Policy. Such Interpretations shall be published in the FEDERAL REGISTER, made a part of Appendix D to these regulations, and incorporated by reference as part of these regulations. Any policyholder or person in privity with a policyholder may file a request for an interpretation in writing with the Federal Insurance Administration, Department of Housing and Urban Development, 451 Seventh Street, S.W., Washington, D.C. 20410.

(c) *New issues.* Whenever an issue arises which involves a question of contractual interpretation of the Standard Flood Insurance Policy which has not previously been considered by the Administrator, either party shall immediately bring the matter to the attention of the other for the purpose of determining whether an interpretation should be issued.

§ 1911.15 Procedures for resolution of disputes.

In the event that the issue is in dispute and cannot be informally resolved, the following procedure will apply:

(a) The Administrator shall, by certified mail, provide the Association with written notice of the initiation of formal interpretation procedures.

(b) Upon receipt of such notice, the Association may, within fifteen (15) calendar days, submit to the Administrator a written statement which shall outline the factual and legal basis for its position.

(c) After consideration of the Association's position, and having made any further consultations with the Association as necessary and appropriate, the Administrator shall in writing advise the Association of his/her concurrence or non-concurrence with the position of the Association.

§ 1911.16 Issuance of proposed interpretation.

In the event that the Administrator does not concur with the Association, he/she shall:

(a) *Proposed interpretation.* Prepare a proposed Interpretation of the Standard Flood Insurance Policy and provide the Association with a copy of such Interpretation and give the Association at least seven calendar days to present its views on the draft.

(b) *Final interpretation.* Following submission by the Association of comments on the proposed Interpretation, the Administrator shall submit to the Association a copy of the final Interpretation at least seven days prior to publication. At the expiration of the seven day notice period, the Interpretation shall be published for effect.

(c) *Opinion of the General Counsel.* With regard to either a proposed or final Interpretation, either the Administrator or the Association may submit a written request for an opinion of the General Counsel on the legality of such an Interpretation.

§ 1911.17 Clarifications.

(a) *Definition.* A Clarification is a written explanation of the specific language of the Standard Flood Insurance Policy for the purpose of setting forth in insurance contractual terminology the Interpretation proposed to be issued by the Administrator.

(b) *Request for clarification.* The Association may submit a written request to the Administrator asking that a Clarification rather than an Interpretation be issued. This request shall be filed within the seven day comment period prior to publication of the final Interpretation and shall include:

(1) The Association's certification, based on the accompanying legal opinion of counsel, that the issuance of the proposed Interpretation would create a risk of substantial complications in the interpretation of insurance policies not related to the National Flood Insurance Program; and

(2) A showing that the Association considered whether an explanation of the

specific language in question with corresponding redress and notification to policyholders and other administrative consequences would or would not be in the public interest.

(c) *Publication of clarification.* Prior to publication, the Administrator shall provide the Association with the proposed Clarification and allow at least seven (7) calendar days for comment. At the close of that period, the Clarification may be published for final effect.

§ 1911.18 Implementation of interpretations and clarifications.

(a) *Distribution.* The Association will distribute to servicing companies and adjustment organizations copies of Interpretations issued under § 1911.6 and Clarifications issued under § 1911.17. In addition, the Association will provide notice of such Interpretations and Clarifications to policyholders upon renewal of existing policies and issuance of new policies.

(b) *Effect of interpretation or clarification.* Within a reasonable time following issuance of any Interpretation or Clarification, the Administrator shall determine the effect, if any, which the Interpretation or Clarification has had or may have on loss payments and actuarial premium rates, and shall make appropriate adjustments, if necessary, to actuarial rates. In making such determination, the Administrator shall consider any information or views presented by the Association. To facilitate this analysis, the Association shall keep a record of any changes in costs and losses which result from the Interpretation or Clarification. Such costs and losses are subject to the provisions of § 1923.6 of this subchapter.

(c) *Application.* Upon final publication of an Interpretation, the Association shall apply such Interpretation or Clarification:

(1) In adjustment of all claims pending at the effective date of such Interpretation or Clarification.

(2) In adjustment of all claims duly filed after the effective date of such Interpretation or Clarification.

(3) At the direction of the Administrator, in adjustment of any claim previously filed which arose out of an occurrence within two years before the effective date of such Interpretation or Clarification, provided that the policyholder requests in writing, not later than sixty days after receiving notice of the Interpretation or Clarification, that the claim be reopened.

(4) At the direction of the Administrator, in adjustment of any other claim arising out of an occurrence within two years before the effective date of such Interpretation or Clarification, *Provided*, That the policyholder files notice and proof of loss not later than sixty days after receiving notice of the Interpretation or Clarification.

(d) *Limitations.* (1) Nothing in this paragraph shall limit any legal or equitable right which any policyholder may otherwise have to assert an earlier claim under an Interpretation or Clarification.

(2) This Section shall apply only to Interpretations and Clarifications and has no application to changes in the Standard Flood Insurance Policy issued from time to time by the Administrator for prospective effect.

(3) The Administrator may, in his/her discretion, decline to issue Interpretations or Clarifications when declination is in the public interest.

PART 1912—SALE OF INSURANCE AND ADJUSTMENT OF CLAIMS

5. Section 1912.3 is amended by adding paragraphs (f), (g), and (h) to read as follows:

§ 1912.3 Limitations on sale of policies.

(f) *Association Membership.* Changes in the membership of the Association shall not amend or alter the terms of the Agreement entered into by the Administrator with the Association pursuant to Sections 1331 and 1332 of The Act. Nothing in the Agreement shall limit the right of any member of the Association to reduce or terminate its financial participation or risk sharing in the Association as of the end of any accounting period. The Association shall promptly advise the Administrator of all notifications of additions to and withdrawals from its membership.

(g) *Association meetings.* With regard to meetings the Association shall: (1) Give the Administrator at least thirty (30) days advance written notice of any meeting of the Association's Executive Committee or Membership called to consider any amendment to the Association's Constitution or dissolution of the Association.

(2) Invite the Administrator or his representatives to attend meetings of the Executive Committee and other committees of the Association by giving the Administrator the same notice of meeting as is given to the members of the Executive Committee and other Association committees.

(3) Notify the Administrator in writing of all actions taken by the Membership, Executive Committee and other Association Committees at their meetings.

(4) Furnish the Administrator with copies of written agenda and formal minutes of meetings of the Membership, Executive Committee, and other Association committees.

(h) *Public meetings and access to documents.* (1) The Association and the Administrator shall conduct at least annually a joint Public Meeting, at which time members of the public may express their views, opinion, and suggestions for the Program. Notice to the public shall be as determined by the Administrator and the Association in advance of the proposed meetings.

(2) Upon request, the Association and the Administrator shall make available to any interested person, copies of all formal actions taken by the Administrator and the Association relating to the Program.

6. Section 1912.4 is amended by adding paragraphs (c) and (d) to read as follows:

§ 1912.4 Limitation on sale of policies.

(c) The Association shall comply with the Equal Opportunity Clause appearing in 24 CFR 130.15(a) incorporated herein by reference and promulgated pursuant to Executive Order 11246 of September 24, 1965.

(d) For the purposes of paragraph (c), the following definitions shall apply: (1) "Contracting Agency" shall mean the Department of Housing and Urban Development;

(2) "Contracting Officer" shall mean Secretary of Housing and Urban Development;

(3) "Contractor" shall mean the Association.

7. Section 1912.5 is revised to read as follows:

§ 1912.5 Premium refund following map revision.

(a) *Property no longer in flood area.* A Standard Flood Insurance Policyholder whose property has been determined not to be in a special flood hazard area after a map revision or a Letter of Map Amendment under Part 1920 of this subchapter may cancel the policy within the current policy year, provided that the policyholder was required pursuant to statute to purchase or to maintain flood insurance coverage, or both.

(b) *Refunds following revision.* If no claim under the policy has been paid or is pending, the full gross premium shall be refunded to the named insured, including any agents commissions paid by the insured, for the current policy year, and for an additional policy year where the insured had been required to renew the policy during the period when a revised map was being reprinted. Drafts or other instruments of payment shall be made payable to the insured and the Administrator shall reimburse the Association for the full amount of the refunded agents commission. The agent shall be allowed to retain his/her commission as fully earned.

8. Section 1912.8(c) is added to read as follows:

§ 1912.8 Notice to policyholder.

(c) *Actions following complaints, requests or inquiries.* In the event that a complaint, request or other inquiry is filed with the Administrator, his response thereto shall be conducted in accordance with the provisions of this Section.

(1) The Administrator shall request in writing and the Association shall produce the relevant file to the Administrator for review. Production by the Association shall be made within a reasonable period so as to permit a timely response by the Administrator.

(2) In the event that a complaint, request, or other inquiry requires that information be obtained from either the Administrator or the Association, the

party to whom the communication is initially directed shall provide a copy of such correspondence, if in writing, or a written summary of the oral communication if not in writing, to the other party. If the complaint, request, or inquiry is confidential in nature, or is otherwise subject to a privilege in law, the name and title of the initiating correspondent may be deleted.

9. The table of contents for Part 1912 is amended by the addition of the following new sections.

Sec.

1912.9 Records to be maintained by the Administrator.

1912.10 Reports to be made by the Association.

1912.11 Manual information.

1912.23 Monitoring of claims processing.

10. New §§ 1912.9, 1912.10, 1912.11 and § 1912.23 are added to Part 1912 to read as set forth below.

§ 1912.9 Records to be maintained by the Association:

(a) *Requests by Administrator.* The Administrator may, by written request, require the Association to maintain such records as are necessary and appropriate to facilitate an effective audit of the performance of the program including, but not limited to, those records which disclose or relate to the cost of the program or the services being rendered.

(b) *Records to be maintained by subcontractors.* The Association shall require by written contractual provision that its subcontractors maintain similar records pursuant to any request as from time to time may be made by the Administrator under paragraph (a) of this section.

(c) *Retention period.* Such records shall be retained for three years after the final adjustment pertaining to the accounting period covered thereby pursuant to the Agreement or such longer time as may be prescribed by the Administrator prior to the expiration of the three-year period.

(d) *Access to records.* The Secretary, the Administrator, and the Comptroller General of the United States, or any other duly authorized Federal officials shall have access to such records for the purposes of audit and examination at the place where the records are maintained.

(e) *Attorney-client privilege.* Nothing in this paragraph shall be construed as a waiver of any attorney-client privilege which the Association may have in connection with the Association's written or oral communications with, or documents prepared by, for, or at the request of, attorneys employed or retained by the Association.

§ 1912.10 Reports to be made by the Association.

(a) *Reports.* The Association from time to time, but at least quarterly, shall make reports to the Administrator which shall include:

(1) The financial condition of the Association;

(2) The estimated amount of insurance in force;

(3) The status of policyholder premiums collected and the investment income thereon currently held by the Association;

(4) All distributions of funds to, and financial transactions with, Association members; and

(5) Such other information or reports as the Administrator may reasonably specify.

(b) *Studies.* The Secretary or his/her delegate shall have authority to conduct investigations and studies concerning the insurance aspects of the program contracted for with the Association, including but not limited to those required by Section 1307 of The Act.

§ 1912.11 Manual information.

The Association shall include in its manuals for insurance agents, brokers, and adjusters, including those manuals, handbooks, guidelines and related program materials referenced at § 1913.2 of this subchapter, such provisions as may be necessary to facilitate the maintenance of records and the submission of reports as required under this Part.

§ 1912.23 Monitoring of claims processing.

(a) *Review by Administrator.* The Association shall regularly review with the Administrator or his designees a sampling or other selection of claims files, including closed claims files, as may be selected by the Administrator. Such reviews shall be for the purpose of providing current information as to the basis upon which claims are adjusted or denied and shall specifically include claims adjusted or denied on the ground that the Standard Flood Insurance Policy was initially void.

(b) *Production of files.* At the Administrator's request, the Association shall assemble and provide for review any particular class or category of claim files. In requesting a time for such a review, the Administrator shall give due consideration to any practical difficulties in assembling such claim files.

(c) *Claim problems.* The Association shall require each servicing company to report to it any claims or categories of claims which raise problems of adjustment or issues of contractual interpretation of the Standard Flood Insurance Policy which have not previously been considered by the Administrator. Any such claims or categories of claims shall immediately be reported by the Association to the Administrator.

(d) *Copy of files.* Upon request, the Association shall promptly provide to the Administrator a copy of the complete files, or any part thereof relating to any claim or category of claims, and shall provide any information reasonably requested regarding claims.

11. A new Part 1913 is added as follows:

PART 1913—PRESCRIBED CONDITIONS IN FURTHERANCE OF THE ASSOCIATION'S RESPONSIBILITIES

Sec.

1913.1 Purpose of part.

1913.2 Definitions.

1913.3 Program promotional material.

1913.4 Manuals, handbooks, guidelines, and related program materials.

1913.5 Program computer systems.

AUTHORITY: National Flood Insurance Program Act of 1968, as amended, Pub. L. 90-448; Flood Disaster Protection Act of 1973, Pub. L. 93-234.

12. A new Part 1913 is added and new §§ 1913.1, 1913.2, 1913.3, 1913.4, 1913.5, 1913.6, and 1913.7 are added under that new part to read as follows:

§ 1913.1 Purpose of part.

The purpose of this Part is to prescribe appropriate requirements for the servicing of the insurance component of the program by the Association in furtherance of the efficient and effective administration of the National Flood Insurance Program.

§ 1913.2 Definitions.

The definitions set forth in Part 1909 of this subchapter are applicable to this part.

§ 1913.3 Program promotional material.

(a) *Definition.* The term "Program Promotional Material" includes all material, except that issued by the Association solely to its members, whether in print, or film, slide, or other medium, prepared for wide distribution for the purpose of:

(1) Soliciting flood insurance purchases; or

(2) Educating interested persons, including insurers, insurance agents, lending institutions, insurance adjusters or companies, with respect to their participation in the National Flood Insurance Program; or

(3) Providing general information material to members of the public about the National Flood Insurance Program or its history.

(b) *Review of proposed program promotional materials.* All program promotional material prepared by the Association shall be submitted to the Administrator for review before final processing and utilization. The Administrator shall, within 15 calendar days after receipt of the proposed item, supply the Association with comments, changes, or suggested exclusions, in preparing the final version of such material, the Association shall substantially comply with the comments, changes, or suggested exclusions supplied by the Administrator or, if it does not, then any costs incurred by the Association in preparing, publishing, and distributing such program promotional material shall not be allowable under the Balancing Formula set forth at § 1923.6 of this subchapter nor shall such costs be paid by the Association out of policyholder premiums or any other funds held by the Association under the program or in any way subject to cost-sharing or

otherwise paid or ultimately to be paid by the Administrator under Part 1923 of this subchapter.

(c) *Publication without review.* Nothing in this section shall:

(1) Prevent the Association from, without review by the Administrator, printing and distributing in its own name or in the name(s) of one or more of its members any material, whether of a political nature or otherwise, *Provided*, That the expense of printing and distributing the material is not paid out of policy holder premiums and is not subject to the cost-sharing provisions or otherwise treated as a program expense under the Agreement.

§ 1913.4 Manuals, handbooks, guidelines, and related program materials.

(a) *Conforming changes in publications.* The Program's outstanding manuals, handbooks, guidelines, and related materials concerning the sale of insurance and adjustment of claims pursuant to this subchapter shall be changed from time to time as needed to conform with:

(1) Interpretations and Clarifications issued by the Administrator pursuant to § 1911.14 and § 1911.17 of this Subchapter;

(2) Regulations issued by the Administrator pursuant to his delegated authority; and

(3) Changes of a technical or programmatic nature as are prescribed by the Administrator.

(b) *Review of revisions by Administrator.* Prior to issuance of a proposed revision to any such manual, handbook, guideline, or related program material, the Association shall submit the proposed revision to the Administrator for his review and approval as to matters of a technical or programmatic nature. The Association shall incorporate in the proposed revision all changes of a technical or programmatic nature requested by the Administrator, and shall give due consideration to all other suggested changes. As used in this paragraph, the term "changes of a technical or programmatic nature" shall mean changes in provisions which set forth or describe the terms of the Standard Flood Insurance Policy, the Act, the National Flood Insurance Program premium rates, manual rules or provisions of the Regulations or the Agreement.

§ 1913.5 Program computer systems.

(a) *Application of section.* This § 1913.5 applies to all computer systems ("Program Computer System") which are or may be utilized by the Association, in carrying out its obligations under the Agreement, in connection with map distribution, flood insurance policy writing, billing and processing, and other services to be provided by the Association under the Agreement.

(b) *Definition.* For purposes of this Section, the term Program Computer System shall mean all elements (except personnel) used by the Association for the operations of such system. The term

Program Computer System shall also be deemed to include any additions, enhancements, improvements or modifications thereof.

(c) *Modification of system.* After consultation as provided in § 1908.4(a) of this subchapter, the Administrator may direct the Association to modify, within a reasonable period, the Program Computer System for the purpose of enabling the Administrator to fulfill his/her obligations under the Program, the Agreement, The Act, or related legislation.

(d) *Ownership.* The Program Computer System shall be owned by the Association and the Department and, during the term of the Agreement, shall be utilized by the Association solely for the purposes of the National Flood Insurance Program. The Administrator or his/her designates shall, during normal business hours, and without undue interruption of Program Computer System operations, have access to the Program Computer System for inspection purposes. Upon request of the Administrator, the Association shall provide to the Administrator a copy of the Program Computer System or any part thereof. The Association shall at all times, including any period following termination of the Agreement, store and protect the Computer Program System and the records contained therein and shall comply with the disclosure provisions of the Privacy Act (5 U.S.C. 552 (a), (b), and (c) in the use thereof.

(e) *Reports.* The Association shall provide to the Administrator, and shall update from time to time, a list describing all reports generated by the Program Computer System and those reports obtained by the Association from any subcontractor operating a Program Computer System. Upon reasonable request, the Association shall supply to the Administrator a copy of any report so listed.

(f) *Computer program changes and rights of appeal.* (1) The Association shall establish an efficient Program Computer System that is under financial control and fully auditable and shall obtain the Administrator's prior approval on all actions taken to implement such control which may individually or cumulatively have a significant effect on the operation of the Program Computer System.

(2) The Administrator shall not unreasonably delay in acting upon Association requests to initiate changes in the Program Computer System. The Administrator's failure to respond in writing to such requests within ten days shall be deemed to constitute approval of such request.

(3) Should the Association determine that any request made by the Administrator would jeopardize or unduly delay the purpose of this Section, the Association may submit a written appeal to the Secretary within ten (10) days of the Administrator's request. Within 10 days from receipt of such written report, the Secretary shall render a written determination on the matter which shall be binding on the Association and the Administrator.

PART 1914—COMMUNITIES ELIGIBLE FOR THE SALE OF INSURANCE

13. Sections 1914.7, 1914.8, 1914.9, 1914.10, and 1914.11 are added to table of contents for Part 1914 as follows:

Sec.

- 1914.7 Designation of communities.
- 1914.8 Flood maps.
- 1914.9 Timely notice.
- 1914.10 Attendance at param meetings.
- 1914.11 Toll free telephones.

14. Sections 1914.7, 1914.8, 1914.9, 1914.10, and 1914.11 are added to read as follows:

§ 1914.7 Designation of communities.

For all communities presently participating in the program and for all communities which shall, in the future, participate in the program, the Administrator shall advise the Association whether the insurance policies shall be issued pursuant to the regular program or emergency program and whether the community is designated as coastal or inland.

§ 1914.8 Flood maps.

The Administrator shall develop flood insurance maps and issue the Association an adequate supply for its distribution.

§ 1914.9 Timely notice.

(a) The Administrator shall give advance notice of:

- (1) The issuance or revision of any flood insurance map;
- (2) The final establishment or modification of any premium rate;
- (3) The conversion of any community to the regular program;
- (4) The suspension from the program of any community; and
- (5) The initial participation of any community in the program.

§ 1914.10 Attendance at program meetings.

On reasonable notice from the Administrator or his flood insurance specialists, the Association shall participate, and cause its servicing companies designated pursuant to § 1912.7 of this subchapter to participate, at community and other program meetings convened by the Administrator and/or his flood insurance specialists. The Association shall notify the Administrator of, and invite his representative to attend, public meetings held by the Association, including but not limited to workshops, seminars, and briefings for insurance agents, brokers, mortgage lenders, adjustment organizations, and servicing companies. The Administrator shall notify the Association of, and invite its representatives to attend, all public meetings of any nature convened by the Administrator or his designate relating to the National Flood Insurance Program.

§ 1914.11 Toll free telephones.

The Association shall require servicing companies, for those jurisdictions designated by the Administrator, to install, staff, and maintain a toll free telephone for each servicing territory for the bene-

fit and use of the general public during normal business hours. For all other servicing territories, the Association shall install a single centralized toll free telephone for the same purposes and times. During evenings, weekends, and legal holidays, such lines may be operated by means of a message recording service. The Association or its contractor servicing company shall to the fullest extent practicable and able respond to recorded messages no later than the close of business on the next business day following receipt of the message.

15. A new Part 1921 is added to 24 CFR to read as follows:

PART 1921—ASSOCIATION CONTRACTS

- 1921.1 Purpose of part.
- 1921.2 Definitions.
- 1921.3 Contracts to which applicable.
- 1921.4 Notice to the Administrator.
- 1921.5 Existing contracts.
- 1921.6 Rights of contractors.
- 1921.7 Federal procurement regulations not applicable.
- 1921.8 Compliance with procurement regulations.
- 1921.9 Method of procurement—competitive bidding.
- 1921.10 Procedures for procurement of bids.
- 1921.11 Procedures for treatment of bids obtained under competitive bidding after receipt.
- 1921.12 Acceptance of bids obtained under competitive bidding.
- 1921.13 Competitive bidding and other requirements.
- 1921.14 Competitive negotiation.
- 1921.15 Exempt contracts.
- 1921.16 Procedures for contracting through competitive negotiation.
- 1921.17 Evaluation of proposals submitted through competitive negotiation.
- 1921.18 Public access to evaluations of competitively negotiated contracts.
- 1921.19 Sole source procurement.

AUTHORITY.—National Flood Insurance Program Act of 1968, as amended, Pub. L. 90-448, Flood Disaster Protection Act of 1973, Pub. L. 93-234.

§ 1921.1 Purpose of part.

The purpose of this Part is to set forth the methods of contract procurement to be utilized by the Association so that its performance of services under its Agreement with the Department will be made more efficient and effective.

§ 1921.2 Definitions.

The definitions set forth in Part 1909 of this subchapter are applicable to this Part.

§ 1921.3 Contracts to which applicable.

(a) This Part applies to each contract entered into by the Association involving an aggregate amount or initially estimated aggregate amount in excess of \$10,000 whether such contract is secured by Competitive Bidding under this Part or through Competitive Negotiations under this Part.

§ 1921.4 Notice to the Administrator.

(a) The Association shall give notice to the Administrator before entering into any contract subject to this Section. Such notice shall be given to the Administrator at least thirty (30) days in advance of the commencement of any contractor

selection process utilized under this Part 1921 except that less than thirty (30) days' notice may be given in the case of emergencies and in the normal acquisition of office supplies and equipment in amounts less than \$25,000, in which cases such notice shall be given as reasonably expeditiously as possible. The Notice shall include:

- (1) A copy of the proposed request for proposal or invitation for bid (together with the proposed contract, if available);
- (2) A brief description of the supplies or services called for by the contract; and
- (3) Identification of the method of contractor selection to be used.

(b) *Contracts in writing.* All contracts covered by this Part 1921 shall be in writing and shall be duly executed by the Association and by the other contracting party, except as expressly provided herein.

§ 1921.5 Existing contracts.

In general, new contracts shall be entered into in accordance with the requirements of this Part 1921, and extensions of existing contracts or modifications of existing contracts shall not be utilized in lieu of entering into new contracts. Extensions or modifications of contracts for purposes other than to avoid entering into a new contract are permissible, provided that the Association gives the Administrator 30 days' advance written notice of its intention to execute an extension or amendment to effect a modification unless otherwise provided in this Part.

§ 1921.6 Rights of contractors.

The provisions of this Part relating to the selection of servicing companies and other contractors shall not be construed as providing for benefits for any potential bidder or contractor or any other person or company not a party to the Agreement, and shall not give rise to any rights on behalf of third parties against the Association or the Administrator by reason of waiver or violation of such provisions by either party or otherwise.

§ 1921.7 Federal procurement regulations not applicable.

No provision of this Part shall be construed as a reference to or adoption or incorporation of any rule, practice, procedure, term or definition contained in the Federal Procurement Regulations.

§ 1921.8 Compliance with procurement regulations.

(a) *Duties of association.* The Association shall have the operational responsibility for the award of contracts as provided in this Part 1921, the day-to-day administration of such contracts, and responsibility for termination of such contracts.

(b) *Disallowable expenses.* The Association's contracting shall be subject to monitoring by the Administrator to assure compliance with the procedures set forth in this Part 1921. Any expenses incurred pursuant to a contract award by the Association in material violation of

the provisions of this Part 1921, or any expenses incurred to procure goods or services without a contract which should have been procured by contract into in accordance with this Part 1921 shall not be taken out of policyholder premiums or subject to any cost-sharing or other reimbursement by the Federal Government unless determined by the Administrator to have been inadvertent and without intention or negligence on the Association's part.

§ 1921.9 Method of procurement—competitive bidding.

(a) *Intent.* This Part is intended to result in substantial competition among persons, organizations and other contractors who aspire to perform services for the Program under contract with the Association; therefore, in obtaining the services of contractors, the Association shall utilize as the method of procurement, "Competitive Bidding," unless the contract to be entered into is one of a kind described below under the section relating to Competitive Negotiations.

(b) *Definition.* "Competitive Bidding," as used in this Part 1921, shall mean the method by which the Association procures contracts, including servicing company contracts, through solicitation of bids from all qualified potential contractors in a manner calculated to assure full, open and free competition among all qualified bidders as set forth in this Part.

§ 1921.10 Procedures for procurement of bids.

The Association is required to adhere to the following procedures in securing bids for all contracts subject to the provisions of this section and § 1921.9:

(a) *Advertisement.* The Association shall advertise for competitive bids, and supply the Administrator a copy of such advertisement at the time it is published. Advertisements for such competitive bids shall be placed in:

- (1) At least one newspaper of general circulation published in each of the following cities: Washington, D.C.; New York, New York; Chicago, Illinois; and San Francisco, California; and
- (2) At least two national insurance trade publications such as, but not limited to, the National Underwriter (Property and Casualty Edition), Business Insurance, the U.S. Investor, or the Weekly Underwriter.

(b) *Time period for bidding.* Every such solicitation for bids shall provide sufficient time for bidding, and in no event less than 15 business days nor more than 30 business days.

(c) *Description.* Every such solicitation for bids shall include a clear statement of work to be performed and/or a description of materials to be provided by the successful bidder.

(d) *Public opening.* Every such invitation for bids shall specify the time and place for the public opening of bids and shall notify bidders of their right to be present.

§ 1921.11 Procedures for treatment of bids obtained under competitive bidding after receipt.

(a) Provision shall be made for the receipt of bids and for such bids to be maintained, unopened, in a secured, locked bid box.

(b) Only bids received prior to the termination date shall be considered.

(c) Bids shall be opened publicly within five (5) business days of the termination date for submission at the time and place specified in the invitation. Bids shall be recorded and placed in an appropriate file which shall be available for inspection for a period of not less than six months following award.

§ 1921.12 Acceptance of bids obtained under competitive bidding.

(a) *Responsiveness.* Except where otherwise provided in the invitation for bids, a bid shall be deemed responsive to the invitation if the bid price is inserted in the space allotted to such purpose and the requirements of the invitation are met.

(b) *Modifications.* No bid shall be considered if the bidder imposes conditions modifying the requirements of the invitation, limits his liability, or imposes any other condition which would give him an advantage over other bidders. However, the Association may, with the approval of the Administrator, agree to such modifications of the Standard Servicing Company Contract as may be necessary or appropriate to conclude an agreement in a particular territory in which event the Association shall issue a new advertisement for bids reflecting the modification and reinstitute the procedures set forth at § 1921.10.

(c) *Awards.* The Association shall award the contract as soon as practicable after opening of the bids but no later than 30 days from the opening of the bids to the responsible bidder with the lowest price whose bid conforms to all of the essential provisions of the invitation.

(d) *Rejection of bids.* The Association may reject all bids if it determines that no otherwise responsible bidder has bid an acceptable price and advises the Administrator in writing of the reasons therefor.

(e) *Notification of award.* The award shall be made by mailing to the successful bidder a properly executed award document or notice of award. If an advance notice is issued, it shall be followed as soon as possible by a formal award document.

§ 1921.13 Competitive bidding and other requirements.

(a) The following types of Association contracts shall be subject to the Competitive Bidding procedures as more fully described in this Part.

(1) *Servicing contracts.* A Servicing contract is defined as any contract with insurers or other companies or their successors and assigns providing for the designation of service companies to act for the Association pursuant to § 1912.7 of this subchapter.

(2) **Computer contracts.** A Computer Contract is defined as any contract for the operation by a person, organization or entity, other than the Association, of the Program Computer System more fully described at § 1913.5 of this subchapter.

(3) **Miscellaneous contracts.** Any contract or series of related contracts having an aggregate or estimated price in excess of \$50,000 and entered into for the purpose of securing procurement of printing or photocopying services, furniture or other similar goods and services excepting contracts for goods and/or services where the only potential supplier is a regulated utility or where there are three or less potential suppliers.

(b) In order to fully implement the Competitive Bidding procedures, the following requirements shall apply:

(1) **Servicing contracts.** (i) All current servicing company contracts shall be terminated and new contracts shall be executed on a staggering basis within eighteen (18) months after the effective date of this Part. Except for the States of Florida, Louisiana, Pennsylvania, Texas, Illinois, New Jersey, New York, Virginia, Mississippi, and California, new servicing company contracts must be executed following Competitive Bidding within nine (9) months after the effective date of this Part.

(ii) The Administrator and the Association shall agree on a Standard Servicing Company Contract as to both form and substance setting forth the terms and conditions of such contract.

(2) **Contracts for Computer Systems.** (i) The Association shall advertise for bids for a Computer System on or before June 30, 1978; and

(ii) The terms and conditions of such contract shall be on a form approved as to both form and substance by the Administrator.

§ 1921.14 Competitive Negotiation.

(a) The following types of Association contracts shall be subject to the Competitive Negotiation procedures as more fully described in this Part:

(1) Servicing Contracts as described in § 1921.13(a) (1) when the following conditions are met:

(i) Such contracts will service an area in the United States or U.S. territories with 5,000 or fewer Standard Flood Insurance Policies in effect; and

(ii) The Association makes a determination, after considering the number of policies in force in relation to the geographic area and the number of insurance facilities available in the geographical area, that contracting through Competitive Negotiation is in the best interests of the National Flood Insurance Program, the public and the Association.

(2) All other contracts not subject to the Competitive Bidding procedure under this Part.

§ 1921.15 Exempt contracts.

(a) **Exemptions.** The provisions of this Part for Procurement by Competitive Bidding or Competitive Negotiations, or Advance Notification to the Administrator prior to contracting are not applica-

ble to the following Association relationships:

(1) Insurance adjustment organizations. *Provided, That:* (i) The Association utilizes the services of qualified insurance adjustment organizations selected on a rotating basis in which event a written contract shall not be required.

(ii) No insurance adjustment organization which is part of or affiliated with or controlled by any Association member insurer or any servicing company employee shall be employed to investigate or adjust flood insurance claims except with the approval of the Administrator in connection with a catastrophic event.

(2) Non-contractual services rendered by insurance agents, brokers and non-member insurers. *Provided, That:* The Association and its servicing companies accept and process all policy applications or policy renewal applications when submitted in proper form by any property insurance agent or broker or non-member insurer qualified to do business in the state in which the property to be insured is located.

(3) Services to be rendered by accountants, attorneys or other professionals. *Provided, That:* The Association selects all professionals in a manner to assure that, where feasible, at least three qualified professionals are thoroughly considered.

§ 1921.16 Procedures for contracting through competitive negotiation.

"Contracting through Competitive Negotiation" as used in this Part 1921 shall mean the method by which the Association procures contracts pursuant to the following procedures:

(a) **Advertisement.** Where competitive negotiations are used for servicing company contract procurements, the Association shall advertise to the fullest extent practicable in accordance with the procedures set forth in this Part for competitive bidding.

(b) **Solicitation.** Each solicitation by the Association for a proposal, a copy of which shall be delivered to the Administrator prior to solicitation, shall fully describe the criteria for evaluation of the responses and shall require that responses be divided into two parts as follows:

- (1) Cost elements, and
- (2) All other elements.

§ 1921.17 Evaluation of proposals submitted through competitive negotiation.

(a) **Acceptability.** The Association shall evaluate such proposals first on the basis of all elements other than cost and shall rank them in the order of acceptability. Thereafter, the price shall be considered by the Association.

(b) **Price considerations.** The Association shall, where applicable, apply some form of price or cost analysis in connection with its evaluation. For purposes of such an evaluation:

(1) Price Analysis is a technique for evaluating prospective price without evaluation of cost as separate elements, including, but not limited to, comparison of the price quotations submitted; comparison of prior quotations for the same

or similar services or items; use of rough yardsticks such as published price lists; and comparison of proposed price with estimates independently developed by Association personnel.

(2) Cost Analysis means the evaluation of separate cost elements of a cost proposal and of the judgmental factors used in projecting the estimated cost from the data including, but not limited to, verification of the cost data; the necessity for certain costs; and the basis for allocation of overhead costs.

§ 1921.18 Public access to evaluations of competitively negotiated contracts.

The Association shall adequately document and make available for public inspection for a one-year period its justifications for acceptance of any contract price or proposal and such other evaluation factors as were considered by the Association.

§ 1921.19 Sole source procurement.

Where the Association has fully complied with the provisions of this Part related to Competitive Bidding and Competitive Negotiations, as appropriate and applicable, and has been unable to obtain the services of a contractor using such procedures, the Association may, with written notification to the Administrator of the reasons therefor, award the contract, after negotiation, to a sole source.

16. A new Part 1922 is added to read as follows:

PART 1922—LITIGATION CONCERNING THE NATIONAL FLOOD INSURANCE PROGRAM

Sec.	
1922.1	Purpose of part.
1922.2	Definitions.
1922.3	Litigation involving the Association.
1922.4	Litigation involving the Administrator.
1922.5	Exchange of views regarding litigation.
1922.6	Disallowance of Association expenses incurred to litigate claims against the Administrator.

AUTHORITY: National Flood Insurance Program Act of 1968, as amended, Pub. L. 90-448; Flood Disaster Protection Act of 1973, Pub. L. 93-234.

§ 1922.1 Purpose of Part.

The purpose of this Part is to set forth procedures whereby information regarding litigation involving the program shall be exchanged between the Association and the Department.

§ 1922.2 Definitions.

The Definitions set forth in Part 1909 of this subchapter are applicable to this Part.

§ 1922.3 Litigation involving the association.

(a) **Notification: defendant association.** If the Association, any of its members or contractors, are made a defendant in any litigation involving the program, the Association shall immediately notify the Administrator. Such notice shall be accompanied by a copy of

any pleading filed or received by the Association at the date of notice. Thereafter the Association shall provide to the Administrator copies of all relevant documents as filed or received by the Association and such other documents as the Administrator may reasonably request.

(b) *Notification: plaintiff association.* Except in the case of actions for injunctive or other emergency relief, the Association shall notify the Administrator at least fifteen (15) days in advance of any litigation which it initiates, or which any Association member or contractor initiates with the knowledge of the Association, against any party involving the Program. Such notice shall be accompanied by a copy of the proposed complaint and any other initial pleadings. In the case of actions for injunctive or other emergency relief, the Association shall provide notice and copies of pleadings to the Administrator as soon as reasonably practical.

§ 1922.4 Litigation involving the Administrator.

(a) *Notification: defendant Administrator.* If the Administrator is made a defendant in any litigation involving the program, the Administrator shall immediately notify the Association of such litigation. Such notice shall be accompanied by a copy of the pleadings filed in that litigation to date of notice. The Administrator shall thereafter supply to the Association copies of such pleadings and other documents and related information as the Association may reasonably request.

(b) *Notification: plaintiff Administrator.* Except in the case of actions for injunctive relief or other emergency relief, the Administrator shall notify the Association at least fifteen (15) days in advance of any litigation which the Secretary, the Administrator, or which agency or instrumentality of the United States Government initiates with the knowledge of the Secretary or the Administrator against any party involving the National Flood Insurance Program. The notice shall be accompanied by a copy of the proposed complaint or other initial pleading. In the case of actions for injunctive or other emergency relief the Administrator shall provide notice and copies of pleadings to the Association as soon as reasonably practical.

§ 1922.5 Exchange of views regarding litigation.

The Association and the Administrator shall consult with respect to any litigation involving the National Flood Insurance Program to which either the Secretary, the Administrator or any agency or instrumentality of the Federal Government, or the Association or any of its members or contractors, is a party. However, no exchange is required with respect to any litigation in which the Association and the Administrator are in adverse positions.

§ 1922.6 Disallowance of association expenses incurred to litigate claims against the Administrator.

In the event that the Association asserts any claim against the Adminis-

trator in litigation initiated by the United States Government or the Association and such claim is finally decided against the Association, then all costs, including attorneys fees, incurred by the Association in preparing for and in conducting such litigation shall not be allowable under the Balancing Formula set forth in this Part, nor shall such costs be paid by the Association out of policyholder premium or any other funds held by the Association under the program or subject to cost-sharing or otherwise paid or ultimately to be paid by the Administrator.

17. A new Part 1923 is added to read as set forth below:

PART 1923—FINANCIAL ARRANGEMENT WITH THE ASSOCIATION

Sec.	
1923.1	Purpose of part.
1923.2	Definitions.
1923.3	Establishment of departmental task force to assist the Administrator.
1923.4	Collection and investment of policyholder premiums.
1923.5	Program payments—letter of credit.
1923.6	Determination of the association's profit or loss.
1923.7	Final adjustment for participation year.
1923.8	Risk capital.
1923.9	Government Corporation Control Act.
1923.10	Bankruptcy and insolvency.
1923.11	Disputes.
1923.12	Determination of allowable shareable operating costs.
1923.13	Retention and custodial requirements for records.
1923.14	Standards for financial management systems.
1923.15	Financial reporting requirements.
1923.16	Property management standards.
1923.17	Establishment of operational procedures and guidelines.
1923.18	Preparation of operating budgets.

AUTHORITY: National Flood Insurance Act of 1968, as amended Pub. L. 90-448; Flood Disaster Protection Act of 1973, Pub. L. 93-234.

§ 1923.1 Purpose of part.

The purpose of this Part is to set forth financial controls and arrangements to insure the ability of the Department to: (a) Determine reasonable amounts payable to the Association under the program;

(b) Determine flood insurance premium rates;

(c) Prepare financial statements of the program's condition and results of its operations; and

(d) Make management decisions consonant at all times with the needs of the program.

§ 1923.2 Definitions.

In addition to those Definitions set forth in Part 1909, the following definitions are applicable to this Part: (a) "Operating Costs" means all costs incurred for the relevant accounting period in the offering, selling and servicing of policies of flood insurance, including administrative costs of the Association, loss adjustment expenses, producers commissions, state premium taxes and similar charges and reinsurance premiums but shall not include any amount for operating allowances.

(b) "Incurred Losses" means the aggregate of all losses on proved and approved claims incurred under all policies with an effective date during the accounting period.

(c) "Participating Year" means all policy periods for all policies with effective dates during the accounting period.

(d) "Investment Income" means interest earned during the accounting period on the Association's investments.

(e) "Shareable Operating Costs" means operating costs less producers' commissions, state premium taxes and reinsurance premium payments.

(f) "Policy Premiums" means the aggregate of all flood insurance premiums paid or payable by insureds for flood insurance.

(g) "Policyholder Earned Premiums" means the aggregate of flood insurance premiums paid or payable by insureds for flood insurance policy periods which have expired.

(h) "Operating Allowance" means the amount of funds the Association shall retain in accordance with § 1923.6(d).

(i) "Risk Capital" means the amount of funds the Association's member companies shall put at risk to pay for the Association's negative operating balance for a participation year as determined in § 1923.9.

(j) "Loss Adjustment Expenses" means all expenses incurred in the settlement of flood insurance incurred losses.

(k) "Negative Operating Balance Reduced by Loss Reinsurance Payments" means the amount the Association pays the Administrator from members' risk capital as the result of the final adjustment of a participation year.

§ 1923.3 Establishment of departmental task force to assist the Administrator.

(a) *Task force established.* The Secretary hereby establishes a Task Force (the "Task Force") to advise the Administrator on procedures designed to assure that financial control is regained with respect to the Association's Program Computer System and such other financial aspects as are essential for the successful operation of the program. The Task Force shall be comprised of members designated by the Secretary.

(b) *Function.* The functions of the Task Force shall include, but not be limited to: (1) Advising the Administrator on the issuance of instructions to the Association and its contractors for the purpose of facilitating the establishment of financial control.

(2) Suggesting the adoption of such recording and reporting requirements so as to enable the Administrator to obtain necessary financial and statistical data.

(3) Reviewing and evaluating recommendations of the Association and its advisors regarding the operation and correction of the Program Computer System and the Association's other financial controls.

(4) Submitting periodic reports to the Administrator on the status of the Association's Program Computer System.

§ 1923.4 Collection and investment of policyholder premiums.

With respect to collection and investment of policy holder premiums, the As-

sociation shall have the operational responsibility for the interim investment of premiums paid by policy holders and, until a final adjustment is made for the Participation Year as provided in § 1923.8, policyholder premium collected by the Association during such Participation Year (except for those amounts necessarily on hand for daily operations) shall be invested in obligations of or fully guaranteed by the United States or any agency or instrumentality thereof.

§ 1923.5 Program payments—letter of credit.

(a) *Payment of costs.* During an accounting period, the Association shall make payment for operating costs and incurred losses from collected policyholder premiums and investment income to the extent such sources are adequate.

(b) *Issuance of letters of credit.* In the event that collected policyholder premiums and investment income are insufficient to cover payment for operating costs and incurred losses under the program, the Administrator shall issue a Letter of Credit in accordance with HUD Handbook 1900.23, as revised. The Administrator shall authorize the Association to make daily or such other periodic drawdowns against the Letter of Credit for the following purposes:

(1) Payment of general operating expenses reasonably incurred by the Association.

(2) Refunds to applicants from paid premiums when: (i) a premium is excess-

sive; (ii) the application is rejected as incomplete or ineligible; or (iii) cancellation of the insurance contract occurs and a return premium is due.

(3) Payment of commissions to brokers and agents.

(4) Payment of claims to policyholders.

(5) Payment of reasonable expenses incurred in the adjustment, investigation and settlement of claims.

§ 1923.6 Determination of the association's profit or loss.

(a) *Sharing of costs.* The Association's profit or loss for a particular participation year shall be determined by taking the sum of: (1) The Federal share of claims payments plus shareable operating costs (such share to be determined in accordance with the "Balancing Formula" set forth in paragraph (b) of this section; and

(2) earned policyholder premiums ascribed to such participation year; and

(3) investment income earned by the Association during the participation year; and

(4) subtracting from such sum incurred losses and operating costs for such participation year.

(b) *Balancing of losses and costs.* The "balancing formula" used to calculate the Association's share of incurred losses and shareable costs for the participation year being settled is as follows:

$$R_n = \frac{\sum_{i=1}^n A_i + \sum_{i=1}^{n-1} (A_i - C_i) + \sum_{i=1}^n I_i - (S \times D_n)}{\sum_{i=1}^n B_i + A_n + \left(\sum_{i=1}^n A_i + \sum_{i=1}^n B_i \right)}$$

R_n = Association's Sharing Ratio in participation year n

$1-R_n$ = Administrator's Sharing Ratio in participation year n

A_i = Participation year earned policyholder premium less premium taxes and similar charges, producers commissions, reinsurance premiums and hoped for underwriting profit of 5% of policyholder premiums

B_i = Total actual incurred losses and shareable operating costs for a participation year less reinsurance premium (estimated ultimate payments)

C_i = Association's actual share of incurred losses and shareable operating costs (estimated ultimate payment) for a participation year

I_i = Net investment income earned during the first 12 months of a participation year

S = 25

D_n = Policyholder premium in participation year n

Limits:

(a) $(R_{(n-1)} + .10) \geq R_n \geq (R_{(n-1)} - .15)$

(b) $.95 \geq R_n \geq .05$

Symbols:

n = Current year

$n-1$ = Previous year

1 = the 1st year of the National Flood Insurance Program

(c) *Payment under negative operating balance.* If, for the participation year being settled, using the computation referred to in paragraph (b) of this section, the Association has a negative operating balance in excess of 25 percent

(25%) of policyholder premiums for such participation year, the Administrator shall pay the amount of such excess to the Association as excess loss reinsurance payments.

(d) *Payment under positive operating balance.* If for any participating year the Association has a positive operating balance, it may retain out of such balance as an operating allowance, for such uses as its governing document may permit, an amount not to exceed five percent (5%) of the policyholder premiums applicable to the same period. The amount, if any, by which the Association's operating balance for any participating year exceeds five percent (5%) of policyholder premiums shall be paid to the Administrator to be held in a Trust and Liability Account for the payment of future incurred losses, operating costs, and operating allowances as the Administrator shall allow in accordance with paragraph (e) of this section, and until so paid out. The income from investments shall be available for the same purposes as the principal thereof, and for no other purpose. Any such funds remaining at the termination of this Agreement (including any renewal thereof) shall, after the payment of all obligations incurred for the most recent participating year be paid into the National Flood Insurance Fund.

(e) *Trust and liability account.* If for any participating year the Association does not have an operating balance sufficient to pay an operating allowance equal to five percent (5%) of the policyholder premiums applicable to the period, it shall be entitled to a payment from the funds previously paid to the Administrator in an amount, not exceeding the balance of such funds then held by the Administrator for such purpose, sufficient to provide the Association with an operating balance equal to five percent (5%) of the policyholder premiums for such period. The Association may freely use such payment for such purposes as its governing document may permit.

(f) *Excess loss reinsurance payments.* For the excess loss reinsurance payments the Association shall pay to the Administrator a reinsurance premium in an amount and in the manner whereby the reinsurance premium shall be an amount equal to the sum of:

(1) Four and one-tenth percentum (4.1%) of the policyholder premiums for flood insurance in areas designated by the Administrator as areas subject to inland flooding;

(2) Eighteen and three-tenths percentum (18.3%) of the policyholder premiums for flood insurance provided in areas designated by the Administrator as subject to coastal flooding.

§ 1923.7 Final adjustment for participation year.

(a) *Certification and adjustment.* Thirty (30) days after the receipt of a financial statement on the participation year being settled, the Association and the Administrator shall make a final adjustment of accounts for such period by making the computations and payments provided for in this Part and by excluding any operating costs and incurred losses determined not to be shareable. The financial statement delivered to the Administrator shall be certified by an independent certified public accountant.

(b) *Association payments binding on Administrator.* For purposes of this section, payments made by the Association for settlements and loss adjustments shall, subject to audit, be binding on the Administrator.

§ 1923.8 Risk capital.

The Association shall provide a minimum of \$48 million in risk capital subscribed by its member companies for the first full participation year after the effective date of these regulations. Thereafter, the Association shall advise the Administrator, on or before the last day of the sixth month of each Accounting Period, of the minimum aggregate amount of risk capital of the Association and of the amount of risk capital subscribed by each member for the succeeding participation year.

§ 1923.9 Government Corporation Control Act.

While the Association is not owned or controlled by the United States Government or any agency or instrumentality thereof, pursuant to Section 1373 of the

National Flood Insurance Act of 1968, the Administrator is obligated to comply with the requirements of the Government Corporation Control Act (31 U.S.C. 847-849). As a result of its contract with the Department, the Association shall cooperate with the Administrator by furnishing such records or documents as are necessary for compliance with that Act.

§ 1923.10 Bankruptcy and insolvency.

All payments due to or from the Association under this program shall be made without diminution because of the bankruptcy or insolvency of any Association member.

§ 1923.11 Disputes.

Any dispute arising out of the Administrator's failure or refusal to make any payment to the Association under § 1923.5 or § 1923.8 shall be resolved as follows:

(a) *Written determination and appeal.* The Association may submit a written request to the Administrator seeking a determination relative to payments due the Association which shall be answered by the Administrator in writing. The decision of the Administrator shall be final and conclusive unless a written appeal is submitted to the Secretary within 30 days after the date of receipt by the Association.

(b) *Right to hearing.* In connection with any appeal, the Association may request and shall be afforded a hearing before a Hearing Officer of the Department. In such event, the Administrator shall be represented by an attorney appointed by the General Counsel. The Hearing Officer shall make an initial determination on the evidence presented which shall become final within thirty (30) days unless reversed or modified by the Secretary during such thirty (30) day period.

(c) *Secretary's decision final.* The Secretary's decision shall be final, conclusive and binding on both the Administrator and the Association. It shall also be deemed an exhaustion of administrative remedies.

(d) *Prohibition against withholding payments.* Pending final decision of a dispute under this section, the Administrator shall not withhold any undisputed payments or portions thereof due the Association under §§ 1923.5 and 1923.8.

§ 1923.12 Determination of allowable shareable operating costs.

(a) *Advance agreement.* The Association shall seek agreement with the Administrator prior to incurring special or unusual costs in areas where the allowability of such costs is questionable. No presumption as to the allowance or disallowance shall be based on the absence of such a prior agreement.

(b) *Reasonableness of cost.* For purposes of determining allowable shareable operating costs, a cost is reasonable if, in its nature or amount, it does not exceed that which would be reasonably in-

curred in the ordinary conduct of competitive business.

(c) *Crediting of cost.* The applicable portion of any income, rebate, allowance, and other credit relating to any allowable cost, received by or accrued to the Association, shall be credited to the Government either as a cost reduction or by cash refund, as appropriate.

(d) *Applicability of Federal procurement regulations.* The allowability or unallowability of selected items of cost shall be determined in accordance with the principles and standards set forth in subpart 1-15.205 of the Federal Procurement Regulations which are incorporated herein by reference. Failure to treat any item of cost in 1-15.205 is not intended to imply that it is either allowable or unallowable.

§ 1923.13 Retention and custodial requirements for records.

(a) *Period of retention.* Financial records, supporting documents, statistical records, and all other records pertinent to the Agreement shall be retained for a period of three years, except where:

(1) Any litigation, claim or audit is initiated before the expiration of the 3-year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved; and

(2) Records related to the acquisition of nonexpendable property acquired with Federal funds in which event they shall be retained for 3 years after final disposition of the property.

(3) Records are transferred to or maintained by the Federal sponsoring agency.

(b) *Use of microfilm.* The Association may substitute microfilm copies in lieu of original records in complying with the provisions of this section.

(c) *Access.* The Secretary, the Comptroller General of the United States, the Administrator, or any duly authorized representatives shall have access to any pertinent books, documents, papers, and records of the Association for the purpose of conducting audits and examinations.

§ 1923.14 Standards for financial management systems.

(a) The Association shall design and maintain a financial management system and records so as to provide for:

(1) Accurate, current and complete disclosure and auditing of the financial status of the program; and

(2) Identification and recordation of the source and application of program funds; and

(3) Effective control over and accountability for all funds, property and other assets of the Association; and

(4) Procedures which will minimize the time lapse between the transfer of funds from the United States Treasury and disbursement by the Association; and

(5) Procedures for determining the reasonableness, allowability and allocability of costs in accordance with the provisions of the applicable Federal cost

principles provided in the Federal Procurement Regulations and the terms of the Agreement; and

(6) A systematic method to assure timely and appropriate response to and implementation of audit recommendations.

(b) The Association's accounting system shall meet the criteria established by the General Accounting Office for approval of accounting systems.

§ 1923.15 Financial reporting requirements.

(a) The Association shall submit the following financial reports to the Administrator on a quarterly basis:

(1) Statement of Condition;

(2) Statement of Operations (current quarter);

(3) Source and Application of Funds (current quarter);

(4) Report of the Association's Operating Expenses vs. Budget.

(b) The Association shall submit the following financial reports to the Administrator on an annual basis:

(1) Statement of Condition;

(2) Statement of Operations (current year);

(3) Statement of Operations (current year by participation year);

(4) Statement of Operations (inception to date by participation year);

(5) Source and Application of Funds;

(6) Report of the Association's Operating Expenses vs. Budget.

(c) Quarterly and annual reports shall be submitted no later than 60 days after the end of each period.

(d) The Association's fiscal year shall coincide with the Fiscal Year of the United States Government.

(e) If it is determined by the Administrator that the Association's accounting system does not meet the Standards for Financial Management outlined in this Part, the Association shall furnish such additional pertinent information as may be requested by the Administrator's written notice until such time as the system is brought up to standards.

(f) The Administrator is authorized to reproduce any financial reports received from the Association.

§ 1923.16 Property management standards.

All Association property management standards shall be in accordance with OMB Circular No. A-110, Attachment N.

§ 1923.17 Establishment of operational procedures and guidelines.

(a) The Association shall prepare and establish operational procedures and guidelines in conformance with the standards hereby established.

(b) The Administrator shall review and concur with the operational procedures and guidelines so established in order to insure conformance with the standards hereby established.

§ 1923.18 Preparation of operating budgets.

(a) The Association shall prepare an annual detailed operating budgets in ac-

cordance with standards approved by the Administrator.

(b) The Administrator shall review and concur with the operating budgets where they conform with the standards established pursuant to paragraph (a), of this section to assure that an advance agreement in reached concerning the reasonableness and allocability of proposed expenditures.

Issued at Washington, D.C., June 1, 1977.

J. ROBERT HUNTER,
Acting Federal
Insurance Administrator.

STANDARD FLOOD INSURANCE POLICY

(Issued Pursuant to the National Flood Insurance Act of 1968, or Any Acts Amending Thereof)

INSURANCE COMPANIES MEMBERS OF NATIONAL FLOOD INSURERS ASSOCIATION, ARLINGTON, VIRGINIA

(Herein called the company)

Dwelling Building and Contents

Appendix A(1)

In consideration of the payment of the premium, in reliance upon the statements in the application and declarations form made a part hereof and subject to all the terms of this policy, the company does insure the insured named and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business of manufacture, nor in any event for more than the interest of the insured, against all DIRECT LOSS BY "FLOOD" as defined herein, to the property described while located or contained as described in the application and declarations form attached hereto, or pro rata for 30 days at each proper place to which any of the property shall necessarily be removed for preservation from the peril of "Flood", but not elsewhere.

Assignment of this policy shall not be valid except with the written consent of this Company.

DEFINITION OF "FLOOD"

Wherever in this policy the term "flood" occurs, it shall be held to mean

A. A general and temporary condition of partial or complete inundation of normally dry land areas from:

1. The overflow of inland or tidal waters.
 2. The unusual and rapid accumulation or runoff of surface waters from any source.
 3. Mudslides (i.e. mudflows) which are proximately caused or precipitated by accumulations of water on or under the ground.
- B. The collapse or subsidence of land along the shore of a lake or other body of water as a result of erosion or undermining caused by waves or currents of water exceeding the cyclical levels which result in flooding as defined in A-1 above.

PERILS EXCLUDED

This Company shall not be liable for loss.—A. By (1) rain, snow, sleet, hail or water spray; (2) freezing, thawing or by the pressure or weight of ice or water, except where the property covered has been simultaneously damaged by flood; or (3) water, moisture or mudslide damage of any kind resulting pri-

marily from conditions, causes or occurrences which are solely related to the described premises or are within the control of the Insured (including but not limited to design, structural or mechanical defects, failures, stoppages or breakages of water or sewer lines, drains, pumps, fixtures or equipment, seepage or backup of water, or hydrostatic pressure) or any condition which causes flooding which is substantially confined to the described premises or properties immediately adjacent thereto;

B. Caused directly or indirectly by (1) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack, (a) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces, or (b) by military, naval or air forces, or (c) by an agent of any such government, power, authority or forces, it being understood that any discharge, explosion or use of any weapon of war employing nuclear fission or fusion shall be conclusively presumed to be such a hostile or warlike action by such a government, power, authority or forces; (2) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence;

C. By nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril insured against by this policy;

D. By theft or by fire, windstorm, explosion, earthquake, landslide or any other earth movement except such mudslide or erosion as is covered under the peril of flood;

E. Caused by or resulting from power, heating or cooling failure, unless such failure results from physical damage to power, heating or cooling equipment situated on premises where the property covered is located, caused by the peril insured against;

F. Occasioned directly or indirectly by enforcement of any local or state ordinance or law regulating the construction, repair or demolition of building(s) or structure(s);

G. Caused directly or indirectly by neglect of the Insured to use all reasonable means to save and preserve the property at the time of and after an occurrence of the peril insured against by this policy.

PROPERTY COVERED

A. Dwelling.—The term "dwelling" shall mean a residential building designed for the occupancy of from 1 to 4 families and occupied principally for dwelling purposes by the number of families stated herein.

When the insurance under this policy covers a dwelling, such insurance shall include additions in contact therewith; also, if the property of the owner of the described dwelling and when not otherwise covered, building equipment, fixtures and outdoor equipment, all pertaining to the service of the described premises and while within an enclosed structure located on the described premises; also, materials and supplies while within an enclosed structure located on the described premises or adjacent thereto, intended for use in construction, alteration or repair of such dwelling or appurtenant private structures on the described premises.

The Insured may apply up to 10 percent of the amount of insurance applicable to the dwelling covered under this policy, not as an additional amount of insurance, to cover loss to appurtenant private structures (other than the described dwelling and additions in contact therewith) located on the described

premises. This extension of coverage shall not apply to structures (other than structures used exclusively for private garage purposes) which are rented or leased in whole or in part, or held for such rental or lease, to other than a tenant of the described dwelling, or which are used in whole or in part for commercial, manufacturing or farming purposes.

B. Contents.—When the insurance under this policy covers contents, such insurance shall cover all household and personal property usual or incidental to the occupancy of the premises as a dwelling—except other property not covered under the provisions of this policy, and any property more specifically covered in whole or in part by other insurance including the peril insured against in this policy; belonging to the Insured or members of the Insured's family of the same household, or for which the Insured may be liable, or, at the option of the Insured, belonging to a servant or guest of the Insured; all while within an enclosed structure located on the described premises.

The Insured may apply up to 10% of the amount of insurance applicable to the contents covered under this policy, not as an additional amount of insurance, as follows:

(a) If not the owner of the described premises, to cover loss to improvement, alterations, and additions to the described dwelling and appurtenant enclosed private structures as described above.

(b) If an individual condominium unit owner of the described premises, to cover loss to the interior walls, floors, and ceilings that are not otherwise covered under a condominium association policy on the described dwelling and appurtenant enclosed private structures as described above.

Attach Application and Declaration Form here

DWELLING BUILDING AND CONTENTS

This Company shall not be liable for loss in any one occurrence for more than:

1. \$500.00 in the aggregate on paintings, etchings, pictures, tapestries, art glass windows and other works of art (such as but not limited to statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glass or bric-a-brac);

2. \$500.00 in the aggregate on jewelry, watches, necklaces, bracelets, gems, precious and semi-precious stones, articles of gold, silver or platinum and furs or any article containing fur which represents its principal value.

C. Debris Removal.—This insurance covers expense incurred in the removal of debris of or on the dwelling, appurtenant enclosed private structures or contents covered hereunder, which may be occasioned by loss caused by the peril insured against in this policy.

The total liability under this policy for both loss to property and debris removal expense shall not exceed the amount of insurance applying under this policy to the property covered.

PROPERTY NOT COVERED

This policy shall not cover.—A. Accounts, bills, currency, deeds, evidences of debt, money, securities, bullion, manuscripts or other valuable papers or records, numismatic or philatelic property.

B. Fences, retaining walls, seawalls, outdoor swimming pools, bulkheads, wharves, piers, bridges, docks; other open structures located on or partially over water; or personal property in the open.

C. Land values; lawn, trees, shrubs or plants, growing crops, or livestock; underground structures or underground equipment, and those portions of walks, driveways

and other paved surfaces outside the foundation walls of the structure.

D. Animals, birds, fish, aircraft, motor vehicles (other than motorized equipment pertaining to the service of the premises and not licensed for highway use), trailers on wheels, watercraft including their furnishings and equipment, or business property.

DEDUCTIBLES

A. With respect to loss to the dwelling, apartment enclosed private structures or debris removal covered hereunder, this Company shall be liable for only the amount of loss in any one occurrence which is in excess of (a) \$200, or (b) 2% of the amount of loss to the dwelling, whichever is the greater.

B. With respect to loss to contents or debris removal covered hereunder, this Company shall be liable for only the amount of loss in any one occurrence which is in excess of (a) \$200, or (b) 2% of the amount of loss to the contents, whichever is the greater.

REPLACEMENT COST PROVISION

With respect only to a Single Family Dwelling Structure covered hereunder, the term "actual cash value" shall mean replacement cost, subject to following provisions. Outdoor radio and television antennas and aerials, carpeting, awnings, domestic appliances and outdoor equipment, all whether attached to the building structure or not, are excluded from these provisions.

A. If at the time of loss the whole amount of insurance applicable to said building structure is 80% or more of the full replacement cost of such building structure, or is the maximum amount of insurance available under the National Flood Insurance Program, the coverage of this policy applicable to such building structure is extended to include the full cost of repair or replacement (without deduction for depreciation).

B. If at the time of loss the whole amount of insurance applicable to said building structure is less than 80% of the full replacement cost of such building structure and less than the maximum amount of insurance available under the National Flood Insurance Program, this Company's liability for loss under this policy shall not exceed the larger of the following amounts:

1. The actual cash value of that part of the building structure damaged or destroyed; or

2. (a) That proportion of the full cost of repair or replacement without deduction for depreciation of that part of the building structure damaged or destroyed, which the whole amount of insurance applicable to said building structure bears to 80% of the full replacement cost of such building structure; or

(b) The maximum amount of insurance available under the National Flood Insurance Program, whichever is larger.

C. This Company's liability for loss under this policy shall not exceed the smallest of the following amounts:

1. The limit of liability of this policy applicable to the damaged or destroyed building structure;

2. The replacement cost of the building structure of any part thereof identical with such building structure on the same premises and intended for the same occupancy and use; or

3. The amount actually and necessarily expended in repairing or replacing said building structure or any part thereof intended for the same occupancy and use.

D. When the full cost of repair or replacement is more than \$1,000 or more than 5% of the whole amount of insurance applicable to said building structure, this Company shall not be liable for any loss under paragraph A or subparagraph 2 of paragraph B

of these provisions unless and until actual repair or replacement is completed.

E. In determining if the whole amount of insurance applicable to said building structure is 80% or more of the full replacement cost of such building structure, the cost of excavations, underground flues and pipes, underground wiring and drains, and brick, stone and concrete foundations, piers and other supports which are below the under surface of the lowest basement floor, or where there is no basement, which are below the surface of the ground inside the foundation walls, shall be disregarded.

F. The Named Insured may elect to disregard this condition in making claim hereunder, but such election shall not prejudice the Named Insured's right to make further claim within 180 days after loss for any additional liability brought about by these provisions.

GENERAL CONDITIONS AND PROVISIONS

A. Pair and Set Clause.—If there is loss of an article which is part of a pair or set, the measure of loss shall be a reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of said article, but such loss shall not be construed to mean total loss of the pair or set.

B. Concealment, Fraud.—This entire policy shall be void if, whether before or after a loss, the Insured has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the Insured therein, or in case of any fraud or false swearing by the Insured relating thereto.

C. Other Insurance.—This Company shall not be liable for a greater proportion of any loss, less the amount of deductible, from the peril of flood than the amount of insurance under this policy bears to the whole amount of flood insurance (excluding therefrom any amount of "excess insurance" as hereinafter defined) covering the property, or which would have covered the property except for the existence of this insurance, whether collectible or not.

In the event that the whole amount of flood insurance (excluding therefrom any amount of "excess insurance" as hereinafter defined) covering the property exceeds the maximum amount of insurance permitted under the provisions of the National Flood Insurance Act of 1968, or any acts amendatory thereof, it is hereby understood and agreed that the insurance under this policy shall be limited to a proportionate share of the maximum amount of insurance permitted on such property under said Act, and that a refund of any extra premium paid, computed on a pro rata basis, shall be made by this Company upon request in writing submitted not later than 2 years after the expiration of the policy term during which such extra amount of insurance was in effect.

"Excess Insurance" as used herein shall be held to mean insurance of such part of the actual cash value of the property as is in excess of the maximum amount of insurance permitted under the said Act with respect to such property.

D. Added and Waiver Provisions.—The extent of the application of insurance under this policy and of the contribution to be made by this Company in case of loss, and any other provision or agreement not inconsistent with the provisions of this policy, may be provided for in writing added hereto, but no provision may be waived except such as by the terms of this policy is subject to change.

No permission affecting this insurance shall exist, or waiver of any provision be valid, unless granted herein or expressed in writing added hereto. No provision, stipulation or forfeiture shall be held to be waived by any

requirement or proceeding on the part of this Company relating to appraisal or to any examination provided for herein.

E. Cancellation of Policy or Reduction in Amount of Insurance.—This policy may be cancelled at any time at the request of the Insured, in which case this Company shall, upon demand and surrender of this policy, refund the excess of paid premiums above the customary short rates for the expired time; provided, however, that the premium paid for the then current policy term shall be fully earned if the Insured retains an interest in the property covered at the location described in the application and declarations form.

The amount of insurance under this policy may be reduced at any time at the request of the Insured, in which case this Company shall, upon demand, refund the excess of paid premiums above the customary short rates for the expired time for the amount of the reduction; provided, however, that the premium paid for the then current policy term shall be fully earned to the extent that the Insured retains an interest in the property covered at the location described in the application and declarations form.

This policy may be cancelled by this Company for non-payment of the premium by giving to the Insured a 30-days' written notice of cancellation.

F. Conditions Suspending or Restricting Insurance.—Unless otherwise provided in writing added hereto; this Company shall not be liable for loss occurring while the hazard is increased by any means within the control of knowledge of the Insured, provided, however, this insurance shall not be prejudiced by any act or neglect of any person (other than the Insured), when such act or neglect is not within the control of the Insured.

G. Alterations and Repairs.—Permission is granted to make alterations, additions and repairs, and to complete structures in course of construction. In the event of loss hereunder, the Insured is permitted to make reasonable repairs, temporary or permanent, provided such repairs are confined solely to the protection of the property from further damage and provided further that the Insured shall keep an accurate record of such repair expenditures. The cost of any such repairs directly attributable to damage by the peril insured against shall be included in determining the amount of loss hereunder. Nothing herein contained is intended to modify the policy requirements applicable in case loss occurs, and in particular the requirement that in case loss occurs the Insured shall protect the property from further damage.

H. Property of Others.—Unless otherwise provided in writing added hereto, loss to any property of others covered under this policy shall be adjusted with the Insured for the account of the owners of said property, except that the right to adjust such loss with said owners is reserved to this Company. Any such insurance under this policy shall not inure directly or indirectly to the benefit of an carrier or other bailee for hire.

I. Liberalization Clause.—If during the period that insurance is in force under this policy, or within 45 days prior to the inception date thereof, on behalf of this Company there be adopted under the National Flood Insurance Act of 1968, or any acts amendatory thereof, any forms, endorsements, rules or regulations by which this policy could be extended or broadened, without additional premium charge, by endorsement or substitution of form, then such extended or broadened insurance shall inure to the benefit of the Insured hereunder as though such endorsement or substitution of form had been made.

J. Statutory Provisions.—Any terms of this policy which are in conflict with the statutes

of the State wherein the property is located are hereby amended to conform to such statutes, except that in cases of conflict with applicable Federal law or regulation, such Federal law or regulation shall control the terms of this policy.

K. Loss Clause.—Payment of any loss under this policy shall not reduce the amount of insurance applicable to any other loss during the policy term which arises out of a separate occurrence of the peril insured against hereunder; provided, that all loss arising out of a continuous or protracted occurrence shall be deemed to constitute loss arising out of a single occurrence.

L. Mortgage Clause.—Applicable to building items only and effective only when policy is made payable to a mortgagee (or trustee) named in the application and declarations form attached to this policy.

Loss, if any, under this policy, shall be payable to the aforesaid mortgagee (or trustee) as interest may appear under all present or future mortgages upon the property described in which the aforesaid may have an interest as mortgagee (or trustee). In order of precedence of said mortgages, and this insurance, as to the interest of the mortgagee (or trustee) only therein, shall not be invalidated by any act or neglect of the mortgagor or owner of the described property, nor by any foreclosure or other proceedings or notice of sale relating to the property, nor by any change in the title or ownership of the property, nor by the occupation of the premises for purposes more hazardous than are permitted by this policy; provided, that in case the mortgagor or owner shall neglect to pay any premium due under this policy, the mortgagee (or trustee) shall, on demand, pay the same.

Provided, also, that the mortgagee (or trustee) shall notify this Company of any change of ownership or occupancy or increase of hazard which shall come to the knowledge of said mortgagee (or trustee) and, unless permitted by this policy, it shall be noted thereon and the mortgagee (or trustee) shall, on demand, pay the premium for such increased hazard for the term of the use thereof; otherwise this policy shall be null and void.

If this policy is cancelled by this Company, it shall continue in force for the benefit only of the mortgagee (or trustee) for 20 days after written notice to the mortgagee (or trustee) of such cancellation and shall then cease, and this Company shall have the right, on like notice, to cancel this agreement.

Whenever this Company shall pay the mortgagee (or trustee) any sum for loss under this policy and shall claim that, as to the mortgagor or owner, no liability therefor existed, this Company shall, to the extent of such payment, be thereupon legally subrogated to all the rights of the party to whom such payment shall be made, under all securities held as collateral to the mortgage debt, or may, at its option, pay to the mortgagee (or trustee) the whole principal due or to grow due on the mortgage with interest, and shall thereupon receive a full assignment and transfer of the mortgage and of all such other securities; but no subrogation shall impair the right of the mortgagee (or trustee) to recover the full amount of said mortgagee's (or trustee's) claims.

M. Mortgage Obligations.—If the Insured fails to render proof of loss, the named mortgagee (or trustee), upon notice, shall render proof of loss in the form herein specified within 60 days thereafter and shall be subject to the provisions of this policy relating to appraisal and time of payment and of bringing suit.

N. Requirements in Case of Loss.—The Insured shall give written notice, as soon as practicable, to this Company of any loss, protect the property from further damage, forth-

with separate the damaged and undamaged property and put it in the best possible order. Within 60 days after the loss, unless such time is extended in writing by this Company, the Insured shall render to this Company a proof of loss, signed and sworn to by the Insured, stating the knowledge and belief of the Insured as to the following: the time and origin of the loss, the interest of the Insured and of all others in the property, the actual cash value of each item thereof and the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any of said property, any changes in the title, use, occupation, location, possession or exposures of said property since the issuing of this policy, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss. The Insured, at the option of this Company, may be required to furnish a complete inventory of the destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claimed, and verified plans and specifications of any building, fixtures or machinery destroyed or damaged.

The Insured, as often as may be reasonably required, shall exhibit to any person designated by this Company all that remains of any property herein described, and submit to examinations under oath by any person named by this Company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by this Company or its representative, and shall permit extracts and copies thereof to be made.

O. Appraisal.—In case the Insured and this Company shall fail to agree as to the actual cash value or the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within 20 days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for 15 days to agree upon such umpire, then, on request of the Insured or this Company, such umpire shall be selected by a judge of a court of record in the State in which the insured property is located. The appraisers shall then appraise the loss, stating separately actual cash value and loss to each item; and, failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two when filed with this Company shall determine the amount of actual cash value and loss. Each appraiser shall be paid by the party selecting him and the expenses of appraisal and umpire shall be paid by the parties equally.

P. Company's Options.—It shall be optional with this Company to take all, or any part, of the property at the agreed or appraised value, and also to repair, rebuild or replace the property destroyed or damaged with other of like kind and quality within a reasonable time, on giving notice of its intention so to do within 30 days after the receipt of the proof of loss herein required.

Q. Abandonment.—There shall be no abandonment to this Company of any property.

R. When Loss Payable.—The amount of loss for which this Company may be liable shall be payable 60 days after proof of loss, as herein provided, is received by this Company and ascertainment of the loss is made either by agreement between the Insured and this Company expressed in writing or by the filing with this Company of an award as herein provided.

S. Action Against the Company.—No suit or action on this policy for the recovery of any claim shall be sustainable in any court of

law or equity unless all the requirements of this policy shall have been complied with, and unless commenced within 12 months next after the date of mailing of notice of disallowance or partial disallowance of the claim. An action on such claim against the Company may be instituted, without regard to the amount in controversy, in the United States District Court for the district in which the property shall have been situated.

T. Subrogation.—In the event of any payment under this policy, this Company shall be subrogated to all of the Insured's right of recovery therefor against any party, and this Company may require from the Insured an assignment of all right of recovery against any party for loss to the extent that payment therefor is made by this Company. The Insured shall do nothing after loss to prejudice such right; however, this insurance shall not be invalidated should the Insured waive in writing prior to a loss any or all right of recovery against any party for loss occurring to the described property.

In witness whereof, this Company has executed and attested these presents; but this policy shall not be valid unless countersigned by the duly authorized representative of this Company.

SAMUEL H. WEESE,

Attorney-in-Fact for the Insurance Companies, Members of National Flood Insurers Association.

SPECIAL PROVISIONS

A. A list of all Insurance Companies members of the National Flood Insurers Association is on file in the office of the State Insurance Department of the State where the property covered is located and a copy may be obtained upon request from the office of the National Flood Insurers Association, 1755 South Jefferson Davis Highway, Arlington, Virginia 22202.

B. All notices or other communications required by this policy to be given to the Company shall be given to the Servicing Company designated on the Application and Declarations Form attached to this policy, and such notice shall be considered to constitute notice to the Company.

STANDARD FLOOD INSURANCE POLICY

(Issued Pursuant to the National Flood Insurance Act of 1968, or Any Acts Amending Thereof)

Insurance Companies Members of

NATIONAL FLOOD INSURERS ASSOCIATION,
ARLINGTON, VIRGINIA

(Herein called the Company)

General Property

Appendix A (2)

In consideration of the payment of the premium, in reliance upon the statements in the application and declarations form made a part hereof and subject to all the terms of this policy, the Company does insure the Insured named and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the Insured, against all direct loss by "Flood" as defined herein, to the property described while located or contained as described in the application and declarations form attached hereto, or pro rata for 30 days at each proper place to which

any of the property shall necessarily be removed for preservation from the peril of "Flood", but not elsewhere.

Assignment of this policy shall not be valid except with the written consent of this Company.

DEFINITION OF "FLOOD"

Wherever in this policy the term "flood" occurs, it shall be held to mean:

A. A general and temporary condition of partial or complete inundation of normally dry land areas from:

1. The overflow of inland or tidal waters.
2. The unusual and rapid accumulation or runoff of surface waters from any source.
3. Mudslides (i.e., mudflows) which are proximately caused or precipitated by accumulations of water on or under the ground.

B. The collapse or subsidence of land along the shore of a lake or other body of water as a result of erosion or undermining caused by waves or currents of water exceeding the cyclical levels which result in flooding as defined in A-1 above.

PERILS EXCLUDED

This Company shall not be liable for loss—

A. By (1) rain, snow, sleet, hail or water spray; (2) freezing, thawing or by the pressure or weight of ice or water, except where the property covered has been simultaneously damaged by flood; or (3) water, moisture or mudslide damage of any kind resulting primarily from conditions, causes or occurrences which are solely related to the described premises or are within the control of the Insured (including but not limited to design, structural or mechanical defects, failures, stoppages or breakages of water or sewer lines, drains, pumps, fixtures or equipment, seepage or backup of water, or hydrostatic pressure) or any condition which causes flooding which is substantially confined to the described premises or properties immediately adjacent thereto;

B. Caused directly or indirectly by (1) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack, (a) by any government or sovereign power (de jure de facto), or by any authority maintaining or using military, naval or air forces, or by (b) by military, naval or air forces, or (c) by an agent of any such government, power, authority or forces, it being understood that any discharge, explosion or use of any weapon of war employing nuclear fission or fusion shall be conclusively presumed to be such a hostile or warlike action by such a government, power, authority or forces; (2) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence;

C. By nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril insured against by this policy;

D. By theft or by fire, windstorm, explosion, earthquake, landslide or any other earth movement except such mudslide or erosion as is covered under the peril of flood;

E. Caused by or resulting from power, heating or cooling failure, unless such failure results from physical damage to power, heating or cooling equipment situated on premises where the property covered is located, caused by the peril insured against;

F. Occasioned directly or indirectly by enforcement of any local or state ordinance or law regulating the construction, repair or demolition of building(s) or structure(s);

G. Caused directly or indirectly by neglect of the Insured to use all reasonable means to save and preserve the property at the time of and after an occurrence of the peril insured against by this policy.

PROPERTY COVERED

A. Building.—When the insurance under this policy covers a building, such insurance shall include additions and extensions attached thereto; permanent fixtures, machinery and equipment forming a part of and pertaining to the service of the building; personal property of the insured as landlord used for the maintenance or service of the building including fire extinguishing apparatus, floor coverings, refrigerating and ventilating equipment, all while within the described building; also, materials and supplies while within an enclosed structure located on the described premises or adjacent thereto, intended for use in construction, alteration or repair of such building or appurtenant private structures on the described premises.

When the insurance under this policy covers a building used for residential purposes, the insured may apply up to 10% of the amount of insurance, applicable to such building, not as an additional amount of insurance, to cover loss to appurtenant private structures (other than the described building and additions and extensions attached thereto) located on the described premises. This extension of coverage shall not apply to structures (other than structures used exclusively for private garage purposes) which are rented or leased in whole or in part, or held for such rental or lease, to other than a tenant of the described building, or which are used in whole or in part for commercial, manufacturing or farming purposes.

B. Contents.—When the insurance under this policy covers contents, coverage shall be for either household contents or other than household contents, but not for both.

1. When the insurance under this policy covers other than household contents, such insurance shall cover merchandise and stock, materials and stock supplies of every description; furniture, fixtures, machinery and equipment of every description all owned by the insured; improvements and betterments (as hereinafter defined) to the building if the insured is not the owner of the building and when not otherwise covered; all while within the described enclosed building.

2. When the insurance under this policy covers household contents, such insurance shall cover all household and personal property usual or incidental to the occupancy of the premises as a residence—except animals, birds, fish, business property, other property not covered under the provisions of this policy, and any property more specifically covered in whole or in part by other insurance including the peril insured against in this policy; belonging to the Insured or members of the Insured's family of the same household, or for which the Insured may be liable, or, at the option of the Insured, belonging to a servant or guest of the Insured; all while within the described building.

The Insured, if not the owner of the described building, may apply up to 10% of the amount of insurance applicable to the household contents covered under this item, not as an additional amount of insurance, to cover loss to improvements and betterments (as hereinafter defined) to the described building.

The Insured, if an individual condominium unit owner in the described building, may apply up to 10% of the amount of insurance on contents covered under this policy, not as an additional amount of insurance, to cover loss to the interior walls, floors, and ceilings that are not otherwise covered

under a condominium association policy on the described building.

Attach Application and Declarations Form Here

This Company shall not be liable for loss in any one occurrence for more than:

(a) \$500.00 in the aggregate on paintings, etchings, pictures, tapestries, art glass windows and other works of art (such as but not limited to statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glass or bric-a-brac);

(b) \$500.00 in the aggregate on jewelry, watches, necklaces, bracelets, gems, precious and semi-precious stones, articles of gold, silver or platinum and furs of any article containing fur which represents its principal value.

3. When the insurance under this policy covers improvements and betterments, such insurance shall cover the Insured's used interest in improvements and betterments to the described building.

(a) The term "improvements and betterments" wherever used in this policy is defined as fixtures, alterations, installations, or additions comprising a part of the described building and made, or acquired, at the expense of the Insured exclusive of rent paid by the Insured, but which are not legally subject to removal by the Insured.

(b) The word "lease" wherever used in this policy shall mean the lease or rental agreement, whether written or oral, in effect as of the time of loss.

(c) In the event improvements and betterments are damaged or destroyed during the term of this policy by the peril insured against, the liability of this Company shall be determined as follows:

(1) If repaired or replaced at the expense of the Insured within a reasonable time after such loss, the actual cash value of the damaged or destroyed improvements and betterments.

(2) If not repaired or replaced within a reasonable time after such loss, that proportion of the original cost at time of installation of the damaged or destroyed improvements and betterments which the unexpired term of the lease at the time of loss bears to the period(s) from the date(s) such improvements and betterments were made to the expiration date of the lease.

(3) If repaired or replaced at the expense of others for the use of the Insured, there shall be no liability hereunder.

C. Debris Removal.—This insurance covers expense incurred in the removal of debris of or on the building or contents covered hereunder, which may be occasioned by loss caused by the peril insured against in this policy.

The total liability under this policy for both loss to property and debris removal expense shall not exceed the amount of insurance applying under this policy to the property covered.

PROPERTY NOT COVERED

This policy shall not cover.—A. Accounts, bills, currency, deeds, evidences of debt, money, securities, bullion, manuscripts or other valuable papers or records, numismatic or philatelic property.

B. Fences, retaining walls, seawalls, outdoor swimming pools, bulkheads, wharves, piers, bridges, docks; other open structures located on or partially over water; or personal property in the open.

C. Land values; lawn, trees, shrubs or plants, growing crops, or livestock; underground structures or underground equipment, and those portions of walks, driveways and other paved surfaces outside the foundation walls of the structure.

D. Automobiles; any self-propelled vehicles or machines, except motorized equipment not licensed for use on public thoroughfares and operated principally on the premises of the insured; watercraft or aircraft.

E. Contents specifically covered by other insurance except for the excess of value of such property above the amount of such insurance.

DEDUCTIBLES

A. With respect to loss to the building or debris removal covered hereunder, this Company shall be liable for only the amount of loss in any one occurrence which is in excess of (a) \$200, or (b) 2% of the amount of loss to the building, whichever is the greater.

B. With respect to loss to contents or debris removal covered hereunder, this Company shall be liable for only the amount of loss in any one occurrence which is in excess of (a) \$200, or (b) 2% of the amount of loss to the contents, whichever is the greater.

GENERAL CONDITIONS AND PROVISIONS

A. Pair and Set Clause.—If there is loss of an article which is part of a pair or set, the measure of loss shall be a reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of said article, but such loss shall not be construed to mean total loss of the pair or set.

B. Concealment, Fraud.—This entire policy shall be void if, whether before or after a loss, the Insured has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the Insured therein, or in case of any fraud or false swearing by the Insured relating thereto.

C. Other Insurance.—This Company shall not be liable for a greater proportion of any loss, less the amount of deductible, from the peril of flood than the amount of insurance under this policy bears to the whole amount of flood insurance (excluding therefrom any amount of "excess insurance" as hereinafter defined) covering the property, or which would have covered the property except for the existence of this insurance, whether collectible or not.

In the event that the whole amount of flood insurance (excluding therefrom any amount of "excess insurance" as hereinafter defined) covering the property exceeds the maximum amount of insurance permitted under the provisions of the National Flood Insurance Act of 1968, or any acts amendatory thereof, it is hereby understood and agreed that the insurance under this policy shall be limited to a proportionate share of the maximum amount of insurance permitted on such property under said Act, and that a refund of any extra premium paid, computed on a pro rata basis, shall be made by this Company upon request in writing submitted not later than 2 years after the expiration of the policy term during which such extra amount of insurance was in effect.

"Excess Insurance" as used herein shall be held to mean insurance of such part of the actual cash value of the property as is in excess of the maximum amount of insurance permitted under the said Act with respect to such property.

D. Added and Waiver Provisions.—The extent of the application of insurance under this policy and of the contribution to be made by this Company in case of loss, and any other provision or agreement not inconsistent with the provisions of this policy, may be provided for in writing added hereto, but no provisions may be waived except such as by the terms of this policy is subject to change.

No permission affecting this insurance shall exist, or waiver of any provision be

valid, unless granted herein or expressed in writing added hereto. No provision, stipulation or forfeiture shall be held to be waived by any requirement or proceeding on the part of this Company relating to appraisal or to any examination provided for herein.

E. Cancellation of Policy or Reduction in Amount of Insurance.—This policy may be cancelled at any time at the request of the Insured, in which case this Company shall, upon demand and surrender of this policy, refund the excess of paid premiums above the customary short rates for the expired time; provided, however, that the premium paid for the then current policy term shall be fully earned if the Insured retains an interest in the property covered at the location described in the application and declarations form.

The amount of insurance under this policy may be reduced at any time at the request of the Insured, in which case this Company shall, upon demand, refund the excess of paid premiums above the customary short rates for the expired time for the amount of the reduction; provided, however, that the premium paid for the then current policy term shall be fully earned to the extent that the Insured retains an interest in the property covered at the location described in the application and declarations form.

This policy may be cancelled by this Company for non-payment of the premium by giving to the Insured a 20-days' written notice of cancellation.

F. Conditions Suspending or Restricting Insurance.—Unless otherwise provided in writing added hereto, this Company shall not be liable for loss occurring while the hazard is increased by any means within the control or knowledge of the Insured, provided, however, this insurance shall not be prejudiced by any act or neglect of any person (other than the Insured), when such act or neglect is not within the control of the Insured.

G. Alterations and Repairs.—Permission is granted to make alterations, additions and repairs, and to complete structures in course of construction. In the event of loss hereunder, the Insured is permitted to make reasonable repairs, temporary or permanent, provided such repairs are confined solely to the protection of the property from further damage and provided further that the Insured shall keep an accurate record of such repair expenditures. The cost of any such repairs directly attributable to damage by the peril insured against shall be included in determining the amount of loss hereunder. Nothing herein contained is intended to modify the policy requirements applicable in case loss occurs, and in particular the requirement that in case loss occurs the Insured shall protect the property from further damage.

H. Property of Others.—Unless otherwise provided in writing added hereto, loss to any property of others covered under this policy shall be adjusted with the Insured for the account of the owners of said property, except that the right to adjust such loss with said owners is reserved to this Company. Any such insurance under this policy shall not inure directly or indirectly to the benefit of any carrier or other bailee for hire.

I. Liberalization Clause.—If during the period that insurance is in force under this policy, or within 45 days prior to the inception date thereof, on behalf of this Company there be adopted under the National Flood Insurance Act of 1968, or any acts amendatory thereof, any forms, endorsements, rules or regulations by which this policy could be extended or broadened, without additional premium charge, by endorsement or substitution of form, then such extended or broadened insurance shall inure to the benefit of the Insured hereunder as though such en-

dorsement or substitution of form had been made.

J. Statutory Provisions.—Any terms of this policy which are in conflict with the statutes of the State wherein the property is located are hereby amended to conform to such statutes, except that in cases of conflict with applicable Federal law or regulation, such Federal law or regulation shall control the terms of this policy.

K. Loss Clause.—Payment of any loss under this policy shall not reduce the amount of insurance applicable to any other loss during the policy term which arises out of a separate occurrence of the peril insured against hereunder; provided, that all loss arising out of a continuous or protracted occurrence shall be deemed to constitute loss arising out of a single occurrence.

L. Mortgage Clause.—Applicable to building items only and effective only when policy is made payable to a mortgagee (or trustee) named in the application and declarations form attached to this policy.

Loss, if any, under this policy, shall be payable to the aforesaid as mortgagee (or trustee) as interest may appear under all present or future mortgages upon the property described in which the aforesaid may have an interest as mortgagee (or trustee). In order of precedence of said mortgages, and this insurance, as to the interest of the mortgagee (or trustee) only therein, shall not be invalidated by any act or neglect of the mortgagor or owner of the described property, nor by any foreclosure or other proceedings or notice of sale relating to the property, nor by any change in the title or ownership of the property, nor by the occupation of the premises for purposes more hazardous than are permitted by this policy; provided, that in case the mortgagor or owner shall neglect to pay any premium due under this policy, the mortgagee (or trustee) shall, on demand, pay the same.

Provided, also, that the mortgagee (or trustee) shall notify this Company of any change of ownership or occupancy or increase of hazard which shall come to the knowledge of said mortgagee (or trustee) and, unless permitted by this policy, it shall be noted thereon and the mortgagee (or trustee) shall, on demand, pay the premium for such increased hazard for the term of the use thereof; otherwise this policy shall be null and void.

If this policy is cancelled by this Company, it shall continue in force for the benefit only of the mortgagee (or trustee) for 20 days after written notice to the mortgagee (or trustee) of such cancellation and shall then cease, and this Company shall have the right, on like notice, to cancel this agreement.

Whenever this Company shall pay the mortgagee (or trustee) any sum for loss under this policy and shall claim that, as to the mortgagor or owner, no liability therefor existed, this Company shall, to the extent of such payment, be thereupon legally subrogated to all the rights of the party to whom such payment shall be made, under all securities held as collateral to the mortgage debt, or may, at its option, pay to the mortgagee (or trustee) the whole principal due or to grow due on the mortgage with interest, and shall thereupon receive a full assignment and transfer of the mortgage and of all such other securities; but no subrogation shall impair the right of the mortgagee (or trustee) to recover the full amount of said mortgagee's (or trustee's) claim.

M. Mortgagee Obligations.—If the Insured fails to render proof of loss, the named mortgagee (or trustee), upon notice, shall render proof of loss in the form herein specified within 60 days thereafter and shall be subject to the provisions of this policy relating

to appraisal and time of payment and of bringing suit.

N. Loss Payable Clause.—(Applicable to contents item only and effective only when a loss payee is named in Application and Declarations Form.)

Loss, if any, shall be adjusted with the Insured and shall be payable to the insured and loss payee as their interests may appear.

O. Requirements in Case of Loss.—The insured shall give written notice, as soon as practicable, to this Company of any loss, protect the property from further damage, forthwith separate the damaged and undamaged property and put it in the best possible order. Within 60 days after the loss, unless such time is extended in writing by this Company, the insured shall render to this Company a proof of loss, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following: the time and origin of the loss, the interest of the insured and of all others in the property, the actual cash value of each item thereof and the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any of said property, any changes in the title, use, occupation, location, possession or exposures of said property since the issuing of this policy, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss. The insured, at the Option of this Company, may be required to furnish a complete inventory of the destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claimed, and verified plans and specifications of any building, fixtures or machinery destroyed or damaged.

The insured, as often as may be reasonably required, shall exhibit to any person designated by this Company all that remains of any property herein described, and submit to examinations under oath by any person named by this Company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if origi-

nals be lost, at such reasonable time and place as may be designated by this Company or its representative, and shall permit extracts and copies thereof to be made.

P. Appraisal.—In case the insured and this Company shall fail to agree as to the actual cash value or the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within 20 days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for 15 days to agree upon such umpire, then, on request of the insured or this Company, such umpire shall be selected by a judge of a court of record in the State in which the insured property is located. The appraisers shall then appraise the loss, stating separately actual cash value and loss to each item; and, failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two when filed with this Company shall determine the amount of actual cash value and loss. Each appraiser shall be paid by the party selecting him and the expenses of appraisal and umpire shall be paid by the parties equally.

Q. Company's Options.—It shall be optional with this Company to take all, or any part, of the property at the agreed or appraised value, and also to repair, rebuild or replace the property destroyed or damaged with other of like kind and quality within a reasonable time, on giving notice of its intention so to do within 30 days after the receipt of the proof of loss herein required.

R. Abandonment.—There shall be no abandonment to this Company of any property.

S. When Loss Payable.—The amount of loss for which this Company may be liable shall be payable 60 days after proof of loss, as herein provided, is received by this Company and ascertainment of the loss is made either by agreement between the insured and this Company expressed in writing or by the filing with this Company of an award as herein provided.

T. Action Against the Company.—No suit or action on this policy for the recovery of any claim shall be sustainable in any court

of law or equity unless all the requirements of this policy shall have been complied with, and unless commenced within 12 months next after the date of mailing of notice of disallowance or partial disallowance of the claim. An action on such claim against the Company may be instituted, without regard to the amount in controversy, in the United States District Court for the district in which the property shall have been situated.

U. Subrogation.—In the event of any payment under this policy, this Company shall be subrogated to all of the insured's right of recovery therefor against any party, and this Company may require from the insured an assignment of all right of recovery against any party for loss to the extent that payment therefor is made by this Company. The insured shall do nothing after loss to prejudice such right; however, this insurance shall not be invalidated should the insured waive in writing prior to a loss any or all right of recovery against any party for loss occurring to the described property.

In witness whereof, this Company has executed and attested these presents; but this policy shall not be valid unless countersigned by the duly authorized representative of this Company.

SAMUEL H. WEESE,
Attorney-in-Fact for the Insurance
Companies, Members of National
Flood Insurers Association.

SPECIAL PROVISIONS

A. A list of all Insurance Companies members of the National Flood Insurers Association is on file in the office of the State Insurance Department of the State where the property covered is located and a copy may be obtained upon request from the office of the National Flood Insurers Association, 1755 South Jefferson Davis Highway, Arlington, Virginia 22202.

B. All notices or other communications required by this policy to be given to the Company shall be given to the Servicing Company designated on the Application and Declarations Form attached to this policy, and such notice shall be considered to constitute notice to the Company.

§.1 PREMIUM NOTICE (PAYOR)—NFIA-50—50-A

APPENDIX B

Approximately one and a half months before expiration of a policy for which the NFIA is able to determine rates and calculate renewal premiums, the payor (insured or mortgagee) is sent a premium notice advising him of the approaching expiration and specifying renewal premium amounts. The bottom of the form is a detachable renewal stub to be returned to the NFIA with the premium. Instructions for preparing the form are printed on its back. Samples of the front and back of the form are presented below and on the following page. NFIA-50A, marked "Agent's Copy," is sent to the agent at the same time as the premium notice is sent to payor; it is identical to the payor's copy.

NATIONAL FLOOD INSURANCE PREMIUM NOTICE

POLICY NR:	SERVICE COMPANY:	DATE:
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IMPORTANT — YOUR CURRENT FLOOD INSURANCE POLICY WILL EXPIRE
SEE REVERSE FOR INSTRUCTIONS.

A Shows your current level(s) of insurance and the total premium due to renew your insurance at these levels.

AMOUNT OF INSURANCE		PAYABLE PREMIUM
A	BUILDING CONTENTS	
		TOTAL DUE
AMOUNT OF INSURANCE		PAYABLE PREMIUM
B	BUILDING CONTENTS	
		TOTAL DUE

B Due to increased repair and replacement costs, it is recommended that you consider increasing your amount of building insurance as shown (see replacement cost provision of your policy). If you elect this option for the next annual term your renewal premium would be as shown.

NFIA-50 DETACH HERE	PAYOR NAME & MAILING ADDRESS	PAYOR COPY	LOCAL AGENT NAME & MAILING ADDRESS	DETACH HERE
	NATIONAL FLOOD INSURANCE RENEWAL FORM			

POLICY NR:	PLAN:	COMPANY NR:	COMMUNITY:	ZONE:
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RENEWAL EFFECTIVE DATE:

RENEWAL EXPIRATION DATE:

- CHECK EITHER **A** OR **B** FOR DESIRED AMOUNT OF INSURANCE.
- DETACH THIS RENEWAL FORM AND RETURN IT WITH CHECK OR MONEY ORDER PAYABLE TO NATIONAL FLOOD INSURERS ASSOCIATION FOR THE EXACT AMOUNT SHOWN IN **A** OR **B**.
- WE REQUEST YOUR RENEWAL PREMIUM PAYMENT BE MADE PRIOR TO

TOTAL RENEWAL PREMIUM DUE	COMPANY USE
A ☐	
B ☐	

MORTGAGEE KEY

AGENT NUMBER

NATIONAL FLOOD INSURERS ASSOCIATION
PO. BOX 2768
ARLINGTON, VA. 22202

INSURED NAME & MAILING ADDRESS

If you have any questions or wish to change your amount of insurance to other levels than in **B** shown above, CONTACT YOUR LOCAL AGENT.

NATIONAL FLOOD INSURANCE COPY

Regular Flood Insurance Program
Application and Declarations Form
 (For Use Only With the Flood Insurance Policy)

R REGULAR FLOOD INSURANCE PROGRAM

APPENDIX C (1)
 Licensed Companies Members of
 National Flood Insurance Association
 (In Cooperation with the U.S. Government)

Insurance is provided only (1) against the peril of flood as defined in the policy to which this form is attached, (2) with respect to those items specifically described herein and for which a specific amount of insurance is shown below, and (3) for the policy term specified below; and, unless otherwise provided, all conditions and provisions of this form and of the policy to which it is attached shall apply separately to each item covered.

Important Notice: This Policy does not cover loss resulting from a flood or mudslide occurrence already in progress on the date of this application. It is a condition of this insurance that property is not in violation of any Flood Plain Law or Ordinance.

Space for Agent's Name and Mailing Address (Sticker)	Policy No. FL Insured's Name and Mailing Address Number, Street, City or Town, County, State, Zip Code _____ _____ _____
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RENEWAL: YES ☐ NO ☐
 (If RENEWAL, USE SAME NUMBER)

Policy Term 1 Year, from _____ to _____

Inception (Mo. Day Yr.) Expiration (Mo. Day Yr.) 12:01 AM, Standard Time at location of the property involved, and thereafter for successive policy terms of 1 year, provided the then current premium payable by the insured for each successive policy term is paid prior to the expiration of the then current policy term, and if not so paid this policy shall then terminate; provided, however, with respect to any mortgagee (or trustee) named below, this insurance shall continue in force only for the benefit of such mortgagee (or trustee) for 20 days after written notice to the mortgagee (or trustee) of termination of this policy, and shall then terminate.

Community # _____

FIRM Zone # _____

ITEM NO.	AMOUNT OF INSURANCE	RATES AND PREMIUMS				Description and Location of Property Covered (Location same as mailing address above unless otherwise indicated)
		ACTUARIAL		PAYABLE BY THE INSURED		
		RATES	PREMIUMS	RATES	PREMIUMS	
	a) First Layer b) Second Layer		Check Box ☐ If SIS Expense Constant Included	a) Payable b) Actuarial		Occupied as _____ Located at _____
1. Bldg.	a) \$ _____ b) \$ _____ Total \$ _____	\$ _____	☐	a) \$ _____ b) \$ _____ Total \$ _____		On Contents consisting principally of _____ in the Enclosed Building Described Above ☐ or _____ Located at _____
2. Conts.	a) \$ _____ b) \$ _____ Total \$ _____	\$ _____	☐	a) \$ _____ b) \$ _____ Total \$ _____		Loss Payee (Contents): _____
Notice: The Premium for this Policy has been sub-		\$ _____	Grand Total Premium Payable By Insured	\$ _____	INSURED NAME(S) AND MAILING ADDRESS(ES)	

Mortgagee (Bodily): Insert name(s) and Mailing Address(es)

Mortgagee pays new and renewal ☐ renewal only ☐

Base Flood Elevation from FIRM _____ First Floor Elevation — Certify _____ Diff. Plus (+) or Minus (—) To Nearest Foot _____ Does Insured Qualify as "Small Business?" Yes ☐ No ☐ Is Structure Single 2-4 Other _____ Family ☐ ; Family ☐ ; Residential ☐ ; All Other ☐ Is This a Motel or Hotel Structure with normal occupancy of less than six (6) Months? Yes ☐ No ☐ Is this "New Construction or Substantial Improvement?" Yes ☐ No ☐ Date New Construction or Substantial Improvement started _____ Is structure within ☐ corporate limits or ☐ unincorporated area of county. One Story — Basement ☐ No Basement ☐ Two or more Stories — Basement ☐ No Basement ☐ Split Level — Basement ☐ No Basement ☐ Mobile Home on Foundation ☐	Masonry walls-slab foundation ☐ Masonry walls-other foundation ☐ All other walls-slab foundation ☐ All other walls-other foundation ☐ Contents Rated as: Residential ☐ All Other ☐ All in Basement — ☐ All on First Floor — ☐ All on First Two Floors — ☐ All on First Floor & Basement — ☐ All on First Two Floors & Basement — ☐ All above First Floor — ☐ All in Mobile Home on Foundation ☐ The above statements are correct to the best of my knowledge. DATE OF APPLICATION _____ I understand that any false statement may be punishable by fine or imprisonment under 18 U.S. Code, Sec. 1001.
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TO BE COMPLETED BY N.F.I.A. SERVING OFFICE

SERVING COMPANY NAME AND ADDRESS

COUNTERSIGNATURE DATE _____ AUTHORIZED REPRESENTATIVE _____

NFIA-2 (Ed. 7-74)

SIGNATURE OF INSURED OR AGENT _____

Agent's Tax Number _____

Agent Certifies that following matters have been discussed with insured:
 1) That loss already in progress on date of application is not covered;
 2) Advantages of insuring the single family dwelling to at least 80% of the replacement cost of structure, at the time of loss.

MORTGAGEE'S COPY

APPENDIX C (2)

Insurance Companies Members of
National Flood Insurers Association
(In Cooperation with the U.S. Government)

Emergency Flood Insurance Program
Application and Declarations Form
(For Use Only With the Flood Insurance Policy)

E EMERGENCY FLOOD
INSURANCE PROGRAM

Insurance is provided only (1) against the peril of flood as defined in the policy to which this form is attached, (2) with respect to those items specifically described herein and for which a specific amount of insurance is shown below, and (3) for the policy term specified below; and, unless otherwise provided, all conditions and provisions of this form and of the policy to which it is attached shall apply separately to each item covered.

Important Notice: This Policy does not cover loss resulting from a flood or mudslide occurrence already in progress on the date of this application. It is a condition of this insurance that property is not in violation of any Flood Plain Law or Ordinance.

Space for Agent's Name and Mailing Address (Sticker)

Policy No. FL

Insured's Name and Mailing Address
(Number, Street, City or Town, County, State, Zip Code)

RENEWAL: YES ☐ NO ☐
(If Renewal, Use Same Number)

Policy Term 1 Year, from _____ to _____

Inception (Mo. Day Yr.) Expiration (Mo. Day Yr.) 12:01 AM (Standard Time) at location of the property involved, and thereafter for successive policy terms of 1 year, provided the then current premium payable by the insured for each successive policy term is paid prior to the expiration of the then current policy term, and if not so paid this policy shall then terminate; provided, however, with respect to any mortgagee (or trustee) named below, this insurance shall continue in force only for the benefit of such mortgagee (or trustee) for 20 days after written notice to the mortgagee (or trustee) of termination of this policy, and shall then terminate.

Community # _____		Property in Zone A? Yes ☐ No ☐		DESCRIPTION AND LOCATION OF PROPERTY COVERED (Location same as mailing address above unless otherwise indicated)
ITEM NO.	AMOUNT OF INSURANCE	RATE	PREMIUM	
1. Bldg.	\$ _____	_____	\$ _____	Occupied as _____ Located at _____
2. Conts.	\$ _____	_____	\$ _____	On Contents consisting principally of _____ in the Enclosed Building Described Above ☐ ; or Located at _____ Loss Payee (Contents): _____
Notice: The Premium for this Policy has been subsidized by the U.S. Government under the National Flood Insurance Act.			Total Premium → \$ _____	INSERT NAME(S) AND MAILING ADDRESS(ES)

Mortgagee (Building): Insert Name(s) and Mailing Address(es)

Does Insured qualify as "Small Business" Yes ☐ No ☐ Is structure Single ☐ 2-4 ☐ Other ☐ All other ☐ Is this a Motel or Hotel Structure with normal occupancy of less than six (6) months? Yes ☐ No ☐ Is this "New Construction or Substantial Improvement"? Yes ☐ No ☐ Date New Construction or Substantial Improvement started: _____ Is structure within ☐ corporate limits or ☐ unincorporated area of county.		Mortgagee pays new and renewal ☐ renewal only ☐ Masonry walls-slab foundation ☐ Masonry walls-other foundation ☐ Check only All other walls-slab foundation ☐ one box All other walls-other foundation ☐ Contents Rated as Residential All Other All in Basement ☐ ☐ All on First Floor ☐ ☐ All on First Two Floors ☐ ☐ All on First Floor & Bsmt. ☐ ☐ All on First Two Floors & Bsmt. ☐ ☐ All Above First Floor ☐ ☐ All in Mobile Home on Foundation ☐ ☐	
One Story—Basement ☐ No Basement ☐ Two or More stories—Basement ☐ No Basement ☐ Split Level—Basement ☐ No Basement ☐ Mobile Home on Foundation ☐			

TO BE COMPLETED BY M.F.I.A. SERVING OFFICE

SERVING COMPANY NAME AND ADDRESS

COUNTERSIGNATURE DATE AUTHORIZED REPRESENTATIVE

DATE OF APPLICATION _____ The above statements are correct to the best of my knowledge. I understand that any false statement may be punishable by fine or imprisonment under 18 U.S. Code, Sec. 1001.

Agent's Tax Number _____

Agent Certifies that following matters have been discussed with insured:
1) That loss already in progress on date of application is not covered;
2) Advantages of insuring the single family dwelling to at least 80% of the replacement cost of structure, at the time of loss.

NFIA-4 (Ed. 7-74)

MORTGAGEE'S COPY

APPENDIX D

(1) *Mudslide.* The term "mudslide" shall be interpreted to mean mudflow, a condition where there is actually a flow of mud down a slope.

The occasion for the amendment of the flood policy to include mudslides was the devastating mudflows that had occurred in a number of Southern California communities in 1969 (notably in Glendore, California, which mudflow catastrophe was graphically depicted in the October, 1969 issue of the "National Geographic" magazine), as a result of a record number of grass and brush fires during the summer of 1968, followed by record rains from mid-January until early March the next year. Homes were washed down hills or inundated by what were literally rivers of mud coming down from the hills. Unfortunately, the press and other media at the time characterized these mudflows as "mudslides," a term more identified, really, with landslides.

Thus, the "mudslide" peril was added to flood coverage in the 1969 Housing Act. But it was not added as a peril completely separate from the notion of flood; rather, it was considered analogous to, and essentially a part of, the flooding condition, and was therefore, added by the Congress as an additional meaning of the term "flood" itself. Consequently, we have construed the Congressional intent in the light of the context in which the peril was added, i.e., as a result of the mudflow losses that had occurred in Southern California. Blanket coverage for all types of earth movement was not intended to be covered, and no coverage is provided for improper building or use of fill where rainfall alone is the proximate cause of loss.

Mudflow, on the other hand, tends to involve an abnormal condition akin to flooding, where there would usually be a combination of loss of grass and brush cover, followed by a period of unusually heavy or sustained rains, causing the loosened soil to turn to mud and to begin its flow down the hillside. Such an occurrence is clearly the more fortuitous kind of event that property insurance is normally intended to cover. FIA has consistently adhered to the principle that under the definition of "flood" (which includes mudslides) in the policy there is no mudslide occurrence unless and until there exists a condition of inundation by mudslide in the area in which the insured property is located and that inundation by mudslide necessarily involves a mudflow and not merely a landslide or erosion, whether gradual or sudden. It is with these concepts in mind that the Standard Flood Insurance Policy was amended on July 1, 1974, to specifically add the "mudflow" concept by defining the mudslide peril as being a "flood," as follows: "A general and temporary condition of partial or complete inundation of normally dry land areas from . . . 3 Mudslides (i.e., mudflows) which are proximately caused or precipitated by accumulations of water on or under the ground." Loss by landslide or any other earth movement is still excluded under the policy.

In recognition of the need for a restatement of the Congressional intent underlying the addition of the mudslide coverage to the policy, the United States Senate in its Report on the Flood Disaster Protection Act of 1973 affirmed that FIA had correctly construed the term "mudslide" in the 1969 amendment to mean "mudflow; namely, a condition where there is actually a river, or flow, of 'liquid mud' down a hillside, usually as a result of a dual condition of loss of brush cover and subsequent heavy rains" and that "Clearly, the committee intended this condition to be covered when it added the mudslide amendment to the Act in 1969." The Committee also stressed, at pages 13 and 14

of the Report, that FIA would be expected to pay for mudflow losses that occur unexpectedly while a landslide is in progress, so long as the mudflow and not the landslide is the proximate cause of the damage. See Senate Report No. 93-583, 93rd Congress, 1st Session (November 29, 1973).

(2) *Loss in progress.* Basically, under the Standard Flood Insurance Policy, buildings and contents are insured against all direct loss by flood. If a loss is in progress at the time of the inception of coverage, the coverage does not apply to such loss.

The determination as to whether a loss shall be considered to have been in progress at the inception of the contract of insurance turns on the test of when the damage occurred:

If the building had already sustained damage by flood, mudflow, or flood related erosion ("flow") at the time of the inception of the policy, coverage will not apply for that loss.

If the building had not been damaged at the inception time, even though the flood may already have entered the land of the owner or caused damage to the land, coverage will apply.

If the building had already sustained damage at the policy's inception time, then subsequently, due to a new flood occurrence, sustained additional damage, the additional damage occasioned by the new event is a covered loss.

Damage to the insured's land, or damage to his neighbor's land or buildings, is immaterial. The test is concerned with the time of damage to the insured's building or contents in relation to the inception time of the policy.

(3) *Flood related erosion.* Under the Standard Flood Insurance Policy, property damage resulting from wave action along a lake or other body of water would be considered a direct loss by flood if the proximate cause of the damage were a general and temporary condition of partial or complete inundation of normally dry land areas from the overflow of inland or tidal waters or the unusual rapid accumulation or runoff of surface waters from any source.

When a sudden surge or force of nature, such as a severe storm, deluge, or hurricane, accelerates the normal wave action or otherwise causes an abnormally rapid and severe inundation and/or sudden washing away of normally dry land areas by water, any structural property damage proximately caused thereby would be covered under the flood insurance policy. However, where normal, continuous wave action, accompanied by ordinary erosion or the gradual and anticipated wearing away of the land, is the proximate cause of structural property damage, there is no coverage.

The Congress, in recognition of these principles, codified the definition of covered flood related erosion, in § 108 of the Flood Disaster Protection Act of 1973, which has been included in the Standard Flood Insurance Policy as follows: "Definition of 'Flood'—B. The collapse or subsidence of land along the shore of a lake or other body of water exceeding the cyclical levels which result in flooding as defined in A-1 above."

Thus, the concept of flood now includes a type of erosion; an erosion caused by high levels of water in a lake or other body of water. The fact situation for coverage to apply does not require surface flooding, nor severe storm conditions. The touchstone for coverage is a finding of waves or currents of water exceeding anticipated cyclical levels. This latter phrase admittedly presents certain technical difficulties in its application; however, we believe that the compilation and interpretation of the necessary data are not beyond the ken of particular experts in the field. The information can then be matched to the specific claim file, and if relevant, a

showing of erosion or undermining causing collapse or subsidence with resulting property damage, would establish a *prima facie* case.

(4) *Sewer and drain back-up coverage.* First, it is clear that the program does not cover drain back-up that is unrelated to a general condition of flooding as defined in the policy. The two kinds of flooding (other than mudslide and erosion) defined in the policy, of course, are tidal, lake, or stream overflow and surface flooding.

Drain back-up related to surface flooding requires an actual condition of surface flooding in the community or area where the drain back-up occurs. Example. Thus, if a sudden heavy rain fills gutters and overloads sewer systems within a community, causing considerable damage from residential drain-back-up, but there is no evidence of damage from general surface flooding within the community (such as that caused by water entering through basement windows) then no coverage is provided under the policy.

On the other hand, if there has obviously been a flash flood and substantial damage from surface runoff is evident, then related sewer back-up losses are also covered, and there is no need for the adjuster to separate out damage caused by drain back-up from that caused, for example, by water entering through the basement windows, as long as he is satisfied that the damage has not resulted primarily from causes on the insured's own property.

Drain back-up directly related to rising waters or the overflow of natural bodies of water is similarly covered. All that must be shown is that the drain back-up loss was proximately caused by rising waters in an identifiable body of water that is at or above flood stage. "Flood stage" is generally defined as the stage or elevation at which the overflow of the natural banks of a stream or body of water begins, in the reach or area in which the elevation is measured (Emphasis supplied).

Example. Thus, if the Mississippi River is at flood stage and is prevented from overflowing its banks at a particular location by a levee, but the waters back up into a nearby tributary, flooding adjacent properties either through the overflow of the tributary or the back-up of water into the sewers emptying into the tributary, then all of the resulting damage would be covered under the policy, since no damage would have occurred but for the fact that the Mississippi River was at flood stage.

To recapitulate, it is proper under the policy to pay drain back-up losses which, like erosion losses or mudslide losses (both of which have now been added by statute), are directly and proximately caused by a covered form of flooding. It makes no sense to deny coverage for the relatively minor damage to properties caused by drain back-up at locations where levees have been built, while at the same time paying for major structural damage to properties at locations where levees have not been built, when both types of losses are caused by the same water level in the same stream.

(5) *Seepage and high water table coverage.* The program does not cover losses which are causally related solely to high water tables or seepage. The Standard Flood Insurance Policy only covers losses arising out of a general condition of flooding. The two kinds of flooding (other than mudslides and erosion) defined in the Standard Flood Insurance Policy are surface flooding, tidal, lake or stream overflow. For damage related to seepage or a high water table to be covered, in the case of surface flooding, the event must be proximately caused by and be a part of a natural condition of surface flooding in the community or area where the seepage damage or high water table occurs. Example A. Thus,

If a sudden, heavy rain increases the water table in a given area and causes seepage of water, resulting in considerable damage, but there is no evidence of damage from a general surface flooding within the community (such as that caused by water entering through basement windows), then no coverage is provided under the policy. On the other hand, if there has obviously been a flash flood and substantial damage from surface water runoff is evident in the community or area, then, related high water table and seepage losses, so long as they are part of the same flooding event are also covered. In addition, there is no need, in such cases, for the adjuster to separate out damage caused by seepage from that caused, for example, by water entering the basement window as long as he is satisfied that the damage has not resulted primarily from causes on the insured's own property and that there was a general condition of flooding in the community or area which was the proximate cause of the loss.

Seepage and high water table damage directly related to rising waters or the overflow of natural bodies of water is similarly covered. All that must be shown is that the loss was proximately caused by rising waters in an identifiable body of water that is at or above flood stage. "Flood stage" is generally defined as the stage or elevation at which the overflow of the natural banks of a stream or body of water begins, in the reach or area in which the elevation is measured. (Emphasis supplied.)

Example B. Thus, while an identifiable body of water is at or above flood stage and is

prevented from overflowing its banks at a particular location by a levee, but the waters (either through back-up of a nearby tributary, or the creation of an unusually high water table) flood adjacent properties through seepage of water into buildings in the area, then all of the resulting damage would be covered under the policy since no damage would have occurred but for the fact that the Mississippi River, for example, was at flood stage.

To recapitulate, it is proper under the policy to pay seepage and high water table losses which, like erosion losses or mudslide losses (both of which have now been added by statute), are directly and proximately caused by a covered form of flooding.

(6) *Coverage for expenses incurred in removing insured contents away from the peril of flood.* Insureds who take the precaution of removing insured contents or personalty away from the peril of flood are to be compensated for the reasonable expenses of removing the contents of an insured structure from the path of a flood which is of such imminence as to lead a person of common prudence to apprehend damage to such contents inasmuch as such loss or expense constitutes loss proximately resulting from flood under the Standard Flood Insurance Policy.

STANDARD FLOOD INSURANCE POLICY AMENDATORY ENDORSEMENT

This amendatory endorsement becomes a part of all outstanding policies as of February 23, 1977, and all new policies issued thereafter.

It is hereby agreed and understood that the Standard Flood Insurance Policy to which this endorsement is to be attached is amended as follows:

I. *Insuring agreement.* The reference to 30 days in the opening paragraph beginning "In consideration of the payment of premium" is replaced by 45 days.

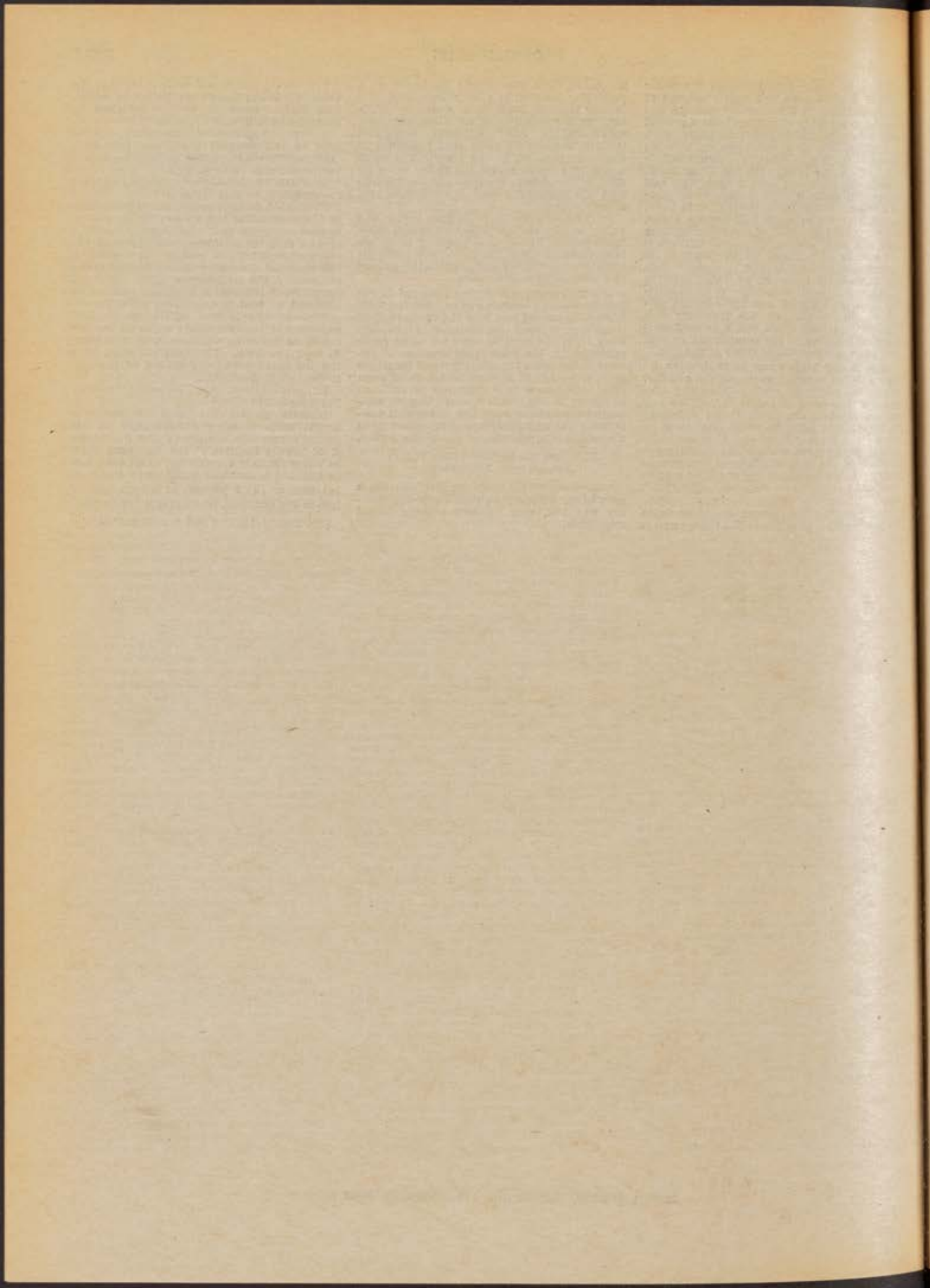
II. *Perils excluded.* The following replaces Paragraph G in this section:

G. Caused directly or indirectly by neglect of the Insured to use all reasonable means to save and preserve the property at the time of and after an occurrence of the peril insured against by this policy; but subject to the terms of the policy including the limits of liability, the Company will reimburse the Insured for reasonable expenses necessarily incurred by him in complying with the requirements of this paragraph, including, but not limited to, reasonable expenses for removal or temporary storage (not exceeding 45 days), or both, of insured contents, from the described premises because of the imminent danger of flood.

III. *Deductibles.* The following replaces Paragraph B:

B. With respect to loss to contents or debris removal covered hereunder or expenses incurred in complying with Paragraph G of "Perils Excluded," the Company shall be liable for only the amount of all such loss in any one occurrence which is in excess of (a) \$200 or (b) 2 percent of the amount of loss to the contents, whichever is the greater.

[FR Doc.77-16079 Filed 6-8-77;8:45 am]



THURSDAY, JUNE 9, 1977

PART VI



**SECURITIES AND
EXCHANGE
COMMISSION**



**INVESTMENT COMPANY
REGISTRATION AND
REPORT FORMS AND
REPORTING
REQUIREMENTS**

**Revision of Forms, Reports, and
Regulations**

SECURITIES AND EXCHANGE COMMISSION

[17 CFR Parts 239, 270, and 274]

[Rel. Nos. 33-5829; IC-9782; File No. S7-697]

INVESTMENT COMPANY REGISTRATION AND REPORT FORMS AND REPORTING REQUIREMENTS

Revision of Forms, Reports, and Regulations

AGENCY: Securities and Exchange Commission.

ACTION: Proposed rule and forms.

SUMMARY: The Commission is releasing, for public comment, a proposed rule and forms intended to create an integrated registration and reporting system designed to reduce both the number of forms and the duplicative information filed by management investment companies. Specifically, the Commission is proposing a revised notification of registration under the Investment Company Act of 1940 ("1940 Act"), new registration statement forms for registration of open and closed-end investment companies under the 1940 Act and of their securities under the Securities Act of 1933 ("1933 Act"), a revised annual report form for annual reports under the 1940 Act, and a new rule under the 1940 Act requiring an annual update of the 1940 Act registration statement.

DATE: Comments must be received on or before August 15, 1977.

ADDRESS: Send comments in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D.C. 20549.

FOR FURTHER INFORMATION CONTACT:

Glen Payne, Special Counsel, Division of Investment Management, Securities and Exchange Commission, Washington, D.C. 20549 (202-755-0230).

SUPPLEMENTARY INFORMATION:

The Securities and Exchange Commission today published for comment:

(1) Proposed Form N-8A (17 CFR 274.10), a revision of the present form for notification of registration under the Investment Company Act of 1940 ("1940 Act") (15 U.S.C. 80a et seq., as amended by Pub. L. No. 91-547 (December 14, 1970));

(2) Proposed Form N-1R (17 CFR 274.101), a revision of the present form used by most management investment companies for filing annual reports under Section 30(a) of the 1940 Act;

(3) Proposed Forms N-1 and N-2 (17 CFR 239.14-15), which are to replace existing Forms S-4 and S-5 for the purpose of registration of the securities of management investment companies (other than small business investment companies) under the Securities Act of 1933 ("1933 Act") (15 U.S.C. 77a et seq., as amended by Pub. L. No. 94-29 (June 4, 1975)). Forms N-1 and N-2 are also intended to replace Form N-8B-1 (17 CFR 274.11), the present registration state-

ment form under the 1940 Act for most management investment companies.

(4) Proposed rule 8b-16 (17 CFR 270.8b-16) under the Act to require annual amendment of the Form N-1 or N-2 by those management investment companies that file Form N-1R.

This release contains a brief synopsis of certain significant aspects of these proposals.

BACKGROUND AND PURPOSE

The Commission is proposing for comment an integrated registration and reporting system under the Investment Company Act of 1940 and the Securities Act of 1933 for management investment companies.¹ The object of such a system is to reduce significantly the number of filings made with, and duplicative information reported to, the Commission while at the same time improving the availability to both the public and the Commission of material information about such companies.²

Management investment companies currently must file a notification of registration on Form N-8A under the 1940 Act (17 CFR 274.10), a registration statement on Form N-8B-1 under the 1940 Act, and a registration statement on Form S-4 (17 CFR 239.14) (closed-end companies) or S-5 (17 CFR 239.15) (open-end companies) under the 1933 Act. Thereafter, they must file quarterly (Form N-1Q) (17 CFR 274.106), semi-annual and annual reports (a two part Form N-1R with a narrative and an EDP section (17 CFR 274.101, 101a-1, and 101a-2)) as well as proxy material and sales literature. In addition, open-end companies making a continuous offering must normally update their 1933 Act registration statement annually.

The basic reporting requirements for management investment companies now have three areas of extensive duplication and overlap. First, the separate registration statement forms under each Act require much of the same information in different formats. Second, most of the information required in a notification of registration under Section 8(a) of the 1940 Act (15 U.S.C. 80a-8(a)) (Form N-8A) is repeated in the registration statement required under Section 8(b) of the 1940 Act (15 U.S.C. 80a-8(b)) (Form N-8B-1). Finally, the annual update of 1933 Act registration statements filed by management investment companies making a continuous offering of their shares requires disclosure of many of the same items of information required by the annual report form for management companies (Form N-1R) under the 1940 Act; and this informa-

¹The Commission's proposals set forth herein, other than revised Form N-8A, are not intended to apply to small business investment companies licensed as such by the United States Small Business Administration.

²To a large extent, the proposals set forth herein result from recommendations made by the SEC Advisory Committee on Investment Companies and Investment Advisers to Improve Reporting and Reduce Paperwork (December 1972).

tion is, for the most part, again included in the computerized EDP Attachment to Form N-1R.

The integrated registration and reporting system being proposed is based on the use of a unified registration statement form (Form N-1 for open-end companies and Form N-2 for closed-end companies) which may be utilized both to register securities under the 1933 Act and to meet the requirements of Section 8(b) for filing a registration statement under the 1940 Act. In addition, the revised Form N-8A would permit investment companies filing a notification of registration simultaneously with the filing of a registration statement to file a short form notification of registration. The unified registration statements would be required to be updated annually under the 1940 Act and would include much of the information currently required in the narrative portion of the Form N-1R. Thus, the narrative Form N-1R can be eliminated, and the new Form N-1R can become a totally computerized form analogous to the current EDP Attachment to Form N-1R.

Current requirements for filing quarterly and semi-annual reports, as well as proxy material and sales literature, would not be affected by these proposals. However, the Commission is interested in receiving public comment at this time on whether the information required to be filed in Form N-1Q should continue to be filed on a quarterly basis, how the information is used by investors or other participants in the securities markets, and the extent and nature of the burden in preparing such information.

The primary purpose of the proposals is to establish a workable structure to avoid unnecessary paperwork and duplicative reporting. Although some disclosure items have been deleted and a few added, generally there has been little change in the substance of the disclosure required. Once a workable structure is in place, specific disclosure items can be evaluated on an individual basis. The Commission does intend that the revisions proposed will encourage freedom of expression and format on the part of registrants. In many cases, significant disclosure items (but not examples of "acceptable" disclosure) from the Guidelines for the Preparation of Forms S-4 and S-5 ("S-5 Guidelines") (Rel. No. IC-7220, 37 FR 12790) and the Guidelines for the Preparation of Form N-8B-1 ("N-8B-1 Guidelines") (Rel. No. IC-7221, 37 FR 12790) have been integrated into the forms. In this connection, it should be noted that if the proposed forms are adopted, the staff may recommend withdrawal of the S-5 Guidelines and the N-8B-1 Guidelines, particularly the "acceptable" disclosure language. If this were to be done, the staff would probably recommend issuance of a release setting forth the significant interpretive positions taken in the Guidelines.

INTEGRATED REPORTING SYSTEM FOR MANAGEMENT INVESTMENT COMPANIES FORM N-8A

The proposed Form N-8A, the notification of registration, is an instructional form which is structured to require the registrant to furnish only that information which the Commission has determined necessary or appropriate at the time of initial filing under the 1940 Act. An investment company filing its registration statement concurrently with its Form N-8A would be required to state in the proposed revised Form N-8A only its name, principal business address and telephone number, and to indicate that a full registration statement was being filed simultaneously. Where the Form N-8A is filed without the accompanying registration statement, the proposed form would require additional limited information. The informational requirements of present Form N-8A which have been deleted have been included in the proposed registration statement forms.

A new instruction (Instruction 6) has been added to the Form N-8A to put registrants on notice that the staff may take action to terminate the registration of any investment company which does not file its registration statement within 90 days of the filing of Form N-8A as required by Rule 8b-15 under the 1940 Act (17 CFR 270.8b-15). The possible consequences of a failure to file a registration statement include a proceeding to revoke or suspend the registration of a registered management investment company under Section 8(e) of the 1940 Act (15 U.S.C. 80a-8(e)) or deregistration of the company under Section 8(f) of the 1940 Act (15 U.S.C. 80a-8(f)).

FORMS N-1 AND N-2

The Commission is proposing two revised registration statement forms: (1) proposed Form N-1 to be used by open-end management investment companies and (2) proposed Form N-2 to be used by closed-end management investment companies. These forms would be the vehicles by which management investment companies could (a) register securities under the 1933 Act, (b) file a registration statement under the 1940 Act or (c) accomplish both of the above objectives.

As with existing 1933 Act registration statement forms, proposed Forms N-1 and N-2 consist of two parts. Part I contains the prospectus which requires most of the items of information currently required in investment company prospectuses by Forms S-4 and S-5, respectively. Part II is similar to Part II of current Forms S-4 and S-5, respectively and consists of a list of exhibits, list of financial statements and other information currently required in a registration statement filed by investment companies with the Commission, but not required in the prospectus. In addition, there are summary prospectus instructions.

With the exception of a few items of additional information which will be included in a registration statement filed only under the 1933 Act, all management

investment companies filing a registration statement with the Commission on proposed Form N-1 or N-2 would complete both Part I and Part II of the forms whether they are filed under the 1933 or 1940 Act, or both of these Acts.

Forms N-1 and N-2 have been designed to give registrants some freedom to develop their own disclosure format. Notable changes are the elimination of much of the cover page disclosure required by the "S-5 Guidelines," the imposition of a requirement for a synopsis of information concerning the key investment policies, operations and activities of the company and relaxation of requirements for the placement in the prospectus of other information. In addition, a number of the undertakings required by the S-5 Guidelines in Part II have been deleted, and the summary prospectus instructions no longer require that the registration statement be effective prior to using the summary prospectus.

The proposed forms include items which would require increased disclosure about investment advisers and the services they provide the company as advisers and otherwise. Although this would appear to require considerable more prospectus disclosure than is now required, it would actually reflect present practice. The public is also alerted that items in the registration statement forms relating to brokerage (Item 7 in Form N-1 and Item 9 in Form N-2)—which as presently proposed are substantially similar to the current requirements—may be changed upon adoption of rules under Section 28(e) of the Securities Exchange Act of 1934 (15 U.S.C. 78bb(e)), or in light of other developments in this area.

Several items which now appear in Form N-8B-1 have been deleted from the combined registration statement forms.² It does not appear that the investing public needs this information in order to make an informed investment decision; the information is, however, useful to the Commission in the performance of its regulatory function and most of it is thus included in the proposed computerized annual report form for management investment companies (Form N-1R).

No substantive changes have been made in the financial statement requirements since the American Institute of Certified Public Accountants presently is revising the Investment Company Audit Guide. This part of the forms will be revised as a whole when the Audit Guide is complete.

There are also numerous rearrangements and modifications of items. To aid commentators in identifying these changes, a chart showing the origin of each item in the proposed forms is attached as an exhibit to this release.

² Specifically, current Items 6, 7, 20, 24, and 29 dealing with diversification of assets, underwriting commitments, employees of the investment company, personnel of investment advisers, and states where securities of the company may be sold.

PROPOSED RULE 8b-16

The proposed integrated system is based on the assumption that there will be annual updating of 1940 Act registration statements. This would be required by proposed Rule 8b-16 under the 1940 Act which would provide that all management investment companies that file Form N-1R must update their Form N-1 or N-2 filed under the 1940 Act within 90 days of the end of their fiscal year. The main impact of this proposal would be on closed-end companies since they would have to amend their registration statement on Form N-2 on an annual basis. Most open-end companies normally update their registration statements under the 1933 Act in any event so that there should be no additional burden on them. They would simply file their Form N-1 under both the 1933 and the 1940 Acts on an annual basis. These required annual amendments would permit elimination of the separate narrative annual reports currently required to be filed on Form N-1R and would provide both the staff and the public up-to-date information about all open and closed-end management investment companies.

The proposed rule reads as follows:
§ 270.8b-16 Amendments to registration statements. Every registered investment company which is required to file an annual report on the Form prescribed in Rule 30a-2(a) [17 CFR 270.30a-2(a)] shall amend the registration statement required pursuant to section 8(b) by filing, not more than 90 days after the close of each fiscal year ending on or after the date upon which such registration statement was filed, the appropriate form prescribed for such amendments.

FORM N-1R

Form N-1R has been revised to develop a computerized reporting format that will generate the statistical and regulatory information needed by the staff to fulfill its regulatory responsibilities under the 1940 Act without imposing an undue burden upon the investment company industry by requiring the filing of unnecessary or duplicative information. To aid persons commenting on the proposed form, a chart is attached showing the origin of each item in the revised form.

In essence, the present EDP attachment is proposed to be substituted for the current form. The narrative reporting section of the present form has been eliminated and some of the information which presently appears in the narrative section of Form N-1R which could not easily be placed in computerized format will be required in registration statements on Form N-1 or N-2. Narrative answers to revised Form N-1R items are to be made only as exhibits in circumstances in which the answer to the computerized item indicates a possible regulatory problem or a situation that needs more explanation.

One set of audited financial statements of a registrant, filed with the registration statements or amendments

thereto, would satisfy the requirements of Forms N-1 and N-2 and the requirements of revised Form N-1R. In responding to items in the N-1R, registrants would be free to incorporate by reference any information contained in the registration statements.

Revised Form N-1R is a blank to be filled in by the registrant similar to the current EDP Attachment and consists of one part filed by all management investment companies. A separate instruction book will be supplied with the form. As proposed, the revised form substantially eliminates the current public-nonpublic format of Form N-1R. Only the information required by Item 69 of revised Form N-1R concerning identification of the ten dealers selling the largest number of shares of a registrant could be withheld as being nonpublic under Rule 45a-1 (17 CFR 270.45a-1). The Commission believes that this approach is consistent with the recent amendments of the Freedom of Information Act, as reflected in the Commission's Rules on Information and Requests (17 CFR Subpart D, 200.80).⁴

As part of its revision of Form N-1R, the Commission is proposing that Rule 30a-1 (17 CFR 270.30a-1) under the 1940 Act be amended to reduce the filing deadline for Form N-1R from the present 120 days after the close of the fiscal year to 90 days after the close of the fiscal year (Investment Company Act Release No. 9783). A reduction in the filing deadline will enable the staff to utilize the information furnished in Form N-1R in reviewing the annual amendments to the registration statement to be filed by management investment companies. Under the current system, annual reports for most open-end companies are filed after clearance of post-effective amendments and thus cannot be used by the staff in their examination of the registration statement or amendments thereto.

COSTS AND BENEFITS

The proposed forms released for public comment at this time constitute the cornerstone of an integrated filing system for management investment companies. Although implementation of an integrated investment company reporting system will initially result in additional costs to both the Commission and

the investment company industry, the Commission believes that the benefits of such a system to the Commission, the industry and the investor will in the long run far exceed those additional costs. However, the Commission is seeking comment on this point, particularly on the costs to those companies affected.

From the viewpoint of the Commission, adoption of an integrated system will significantly reduce the paperwork which must be reviewed and processed.

Adoption of an integrated system should also benefit the investment company industry. Once the industry becomes accustomed to operating under the integrated system, the costs of preparing the forms and reports required to be filed should be significantly reduced. While investment companies will be required under the proposed integrated reporting system to update annually their registration statements, this requirement should impose little added burden on most open-end companies, and the additional requirements imposed on closed-end companies should prove minimal since they will only have to report in the annual amendment changes which have occurred in their operations. The industry also should benefit from having to submit only one form of annual report (a computerized document) rather than the current narrative Form N-1R and computerized EDP Attachment.

Adoption of the proposed integrated investment company reporting should also benefit the investing public by improving the quality and readability of information disclosed. Requiring all management investment companies to update annually their registration statements will help assure that accurate, up-to-date information is available to the investing public. Moreover, we believe that the substantive changes proposed to be made in investment company prospectuses will improve their utility to investors. Elimination of excess verbiage and "legalese" from investment company prospectuses together with requiring a synopsis in the forepart of the prospectus should make the prospectus a more useful document to investors.

Prior to implementation of the proposals contained herein, the Commission may propose other amendments to the registration statement forms and annual report form currently in use by registered management investment companies. It is anticipated that any such amendments which are adopted will be incorporated into the proposed Forms N-1, N-2 or revised Form N-1R, whichever is applicable.

In consideration of the above, it is proposed to amend and revise the following sections of Chapter II, Title 17 of the Code of Federal Regulations, under the Investment Company Act of 1940:

(A) § 274.10. *Revised Form N-8A, for notification of registration.*

(By amending (1) the facing sheet of Form N-8A; (2) revising and renumbering general instructions 1 through 4 and

adding new general instructions 3 and 6 to Form N-8A; (3) revising and renumbering items 1, 2, 3, 4, 5, 6, 7, 8, 11 and 13 to Form N-8A; (4) deleting items 9, 10 and 12 of Form N-8A; (5) adding new items 9, 10 and 11 to Form N-8A; and (6) revising the signature page. The text of the proposed form is attached.)

(B) § 274.11. *Form N-1, registration statement of open-end management investment companies.*

Form N-1 shall be used as the registration statement to be filed pursuant to Section 8(b) of the Investment Company Act of 1940, by open-end management investment companies other than companies which issue periodic payment plan certificates or which are sponsors or depositors of companies issuing such certificates. This form also shall be used for the registration statement under the Securities Act of 1933 by open-end management investment companies.

(C) § 274.11a-1. *Form N-2, registration statement of closed-end management investment companies.*

This form shall be used as the registration statement to be filed, pursuant to Section 8(b) of the Investment Company Act of 1940, by closed-end management investment companies other than companies which issue periodic payment plan certificates or which are sponsors or depositors of companies issuing such certificates. This form also shall be used for the registration statement under the Securities Act of 1933 by closed-end management investment companies.

(It is proposed that § 274.11 Form N-8B-1, be rescinded. The text of proposed Forms N-1 and N-2 is attached.)

(D) § 274.101. *Form N-1R, revised annual report of registered management investment companies under the Investment Company Act of 1940 and the Securities Exchange Act of 1934.*

(By amending (1) the facing sheet of Form N-1R; (2) deleting all general instructions to Form N-1R; (3) deleting Items 1.01 through 1.33 of Form N-1R and the instructions thereto; deleting Part II of Form N-1R, including the deletion of items 2.01 through 2.32 and the instructions thereto; (4) deleting the EDP Attachment for Form N-1R of registered open-end management investment companies; (5) deleting the EDP Attachment for Form N-1R of registered close-end management investment companies; (6) adding EDP items 1 through 68 to Form N-1R; (7) adding EDP item 69 (which will receive confidential treatment) to Form N-1R; (8) adding items 70 through 72 to Form N-1R; and (9) removing all instructions to the items of Form N-1R and enclosing new instructions in a separate instruction book.

It is proposed that the narrative public and non-public N-1R forms, including EDP attachments, be rescinded. The text of the proposed revised Form N-1R and the proposed instruction booklet are attached.)

(E) § 274.101a-1 and § 274.101a-2 would be deleted.

⁴ Paragraph (b) (3) (i) of § 200.80 provides in part that the Commission may withhold as nonpublic information contained in any report filed with the Commission which is entitled to confidential treatment by operation of the provisions of Rule 45a-1 under the 1940 Act. Rule 45a-1 provides for confidential treatment of the names and addresses of dealers to or through whom principal underwriters of registered investment companies are currently offering securities which are required to be furnished with periodic reports filed pursuant to Section 30(a) of the 1940 Act. Instructions to revised Form N-1R state that the information required by Item 69 will be nonpublic. However, the staff is considering whether it should recommend the repeal of Rule 45a-1, and comments are invited on this matter.

Further, in consideration of the proposals contained herein, it is proposed to amend and revise the following sections of Chapter II, Title 17 of the Code of Federal Regulations under the Securities Act of 1933:

(A) § 239.14, *Form N-2 for closed-end management investment companies registered on Form N-8A.*

Form N-2 shall be used for registration under the Securities Act of 1933 of securities of all closed-end management investment companies registered under the Investment Company Act of 1940 on Form N-8A (§ 274.10 of this chapter). This form is also to be used for the registration statement of such companies pursuant to Section 8(b) of the Investment Company Act of 1940 (§ 274.11a-1 of this chapter). This form is not applicable for small business investment companies which register pursuant to § 239.24 and § 274.5 of this chapter.

(B) § 239.15, *Form N-1 for open-end management investment companies registered on Form N-8A.*

Form N-1 shall be used for the registration under the Securities Act of 1933 of securities of all open-end management investment companies registered under the Investment Company Act of 1940 on Form N-8A (§ 274.10 of this chapter). This form is also to be used for the registration statement of such companies pursuant to Section 8(b) of the Investment Company Act of 1940 (§ 274.11 of this chapter). This form is

not applicable for small business investment companies which register pursuant to § 239.24 and § 274.5 of this chapter.

(It is proposed that Forms S-4 and S-5 be rescinded. The text of proposed Forms N-1 and N-2 are attached.)

STATUTORY BASIS

The proposed forms N-8A, N-1, N-2 and N-1R and rule 8b-16 would be promulgated pursuant to the provisions of Sections 7 and 10 of the Securities Act of 1933 (15 U.S.C. 77g and 77j) and Sections 8 and 30 of the Investment Company Act of 1940 (15 U.S.C. 80a-8, 80a-29).

All interested persons are invited to submit their written views and comments on the foregoing areas and on any other issues which might affect the use of revised Forms N-8A and N-1R or proposed Forms N-1 and N-2. These comments should be sent, in triplicate, to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D.C. 20549, on or before August 15, 1977. Such communications should refer to File No. 57-697 and will be available for public inspection at the Commission's Public Reference Room, Room 6101, 1100 L Street, NW., Washington, D.C.

By the Commission.

GEORGE A. FITZSIMMONS,
Secretary.

MAY 31, 1977.

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM N-8A

NOTIFICATION OF REGISTRATION
FILED PURSUANT TO SECTION 8(a) OF THE
INVESTMENT COMPANY ACT OF 1940

The undersigned investment company hereby notifies the Securities and Exchange Commission that it registers under and pursuant to the provisions of Section 8(a) of the Investment Company Act of 1940 and in connection with such notification of registration submits the following information:

Name:

Address of Principal Business Office (No. & Street, City, State Zip Code):

Telephone Number (including area code):

Name and address of agent for service of process:

Check appropriate box:

Registrant is filing a Registration Statement pursuant to Section 8(b) of the Investment Company Act of 1940 concurrently with the filing of Form N-8A: YES ☐ NO ☒

* See footnote 1 to Item 1.

** See Instructions 4(b) and 4(f).

INSTRUCTIONS FOR FORM N-8A

Read instructions carefully before preparing the notification of registration. A notification of registration will not be deemed acceptable as the notification of registration filed pursuant to Section 8(a) of the Investment Company Act of 1940 ("Act") unless it is prepared, executed and filed substantially in accordance with these instructions.

1. Rule as to use of form:

This form shall be used as the notification of registration filed with the Commission pursuant to Section 8(a) of the Act.

2. The registrant:

As used in this form the word "registrant" means the investment company filing the notification of registration.

Each investment company should file a separate notification of registration.

For the purpose of the Act unincorporated investment organizations, such as trusts, funds, or any organized groups of persons, are regarded as distinct entities. In such cases it is the trust, the fund or other unincorporated entity which is the "registrant." Each such trust, fund or other unincorporated entity must file an individual notification of registration. This is true even though such entities have been created under and pursuant to the same indenture of trust or contract of custodianship, or have the same corporate trustee, investment adviser, manager, depositor, or distributor of their securities.

Attention is further directed to the fact that a trust or other form of organization which issues periodic payment plan certificates and the assets of which are securities issued by an investment company is itself an investment company, and as such must file a notification of registration independent of that of the investment company the securities of which constitute its assets.

3. Application of General Rules and Regulations:

The general Rules and Regulations under the Act contain certain general requirements which are applicable to registration on any form. These general requirements should be carefully read and observed in the preparation and filing of a notification of registration on this form. Particular attention is directed to Regulation 8B which sets forth general requirements regarding matters such as the kind and size of paper to be used.

4. Preparation of form of notification of registration:

(a) This form is not to be used as a blank form to be filled in, but only as a guide in the preparation of the notification of registration on paper meeting the requirements of Rule 8b-12. The notification of registration shall contain the item numbers and the text of the items.

(b) If registrant is filing a registration statement as required by Section 8(b) of the Act concurrently with the filing of notification of registration, registrant need furnish only the information requested on the cover page and sign the form to effect registration. Otherwise, every item and subdivision of the form is to be answered fully and accurately. If an item or subdivision is not applicable to the registrant, indicate that fact by giving the answer "NOT APPLICABLE."

(c) Every item is to be answered as of the date the form is prepared, unless the context clearly indicates the contrary.

(d) All answers are to be typewritten or printed in ink. The reply should be centered on the page so that a margin will appear on both sides of the reply.

(e) Names shall be given in full. Initials or abbreviations will not suffice.

(f) Signature.

An original and three copies of each notification of registration shall be filed. The three copies of the notification of registration may have facsimile or typed signatures. If the registrant is an investment company having a board of directors, the original notification of registration shall be signed on behalf of the registrant by a director, officer or trustee. If the registrant has some other form of organization, such as a trust administered by a corporate trustee, a fund, etc., the original notification of registration shall be signed on behalf of the registrant by an officer or director of its sponsor. If no sponsor exists or is at present functioning with reference to the registrant, the signature may be made on behalf of the registrant by an officer or director of the trustee or custodian.

If registrant is concurrently filing a registration statement as required by Section 8(b) under the Act, the signature, which should conform to the appropriate form of signature shown on the final page of the form, may be placed on the cover page.

(g) Filing.

The notification of registration and all inquiries and communications with respect thereto shall be forwarded to the Securities and Exchange Commission, Washington, D. C. 20549.

(h) Fee.

There is no fee charged for filing the notification of registration.

(1) Specific instructions with respect to Item 5(b) of the notification of registration.

The determination of whether or not a company is a "diversified company" or a "non-diversified company" involves an evaluation of registrant's portfolio securities in relation to the value of its assets. Attention is directed to the definition of value in Section 2(a)(41) of the Act which provides, generally speaking, that valuations for this purpose are to be taken as of the last preceding fiscal quarter except in respect of securities and other assets acquired since such quarter.

The Commission recognizes that registrant, on the date of preparation of the notification of registration, may not be able to determine its classification with accuracy and that an estimate may have to be made. If such an estimate proves to be erroneous, the registrant, as promptly as possible, should file an amendment to its notification of registration stating its correct classification.

Registration by an investment company in any classification in no sense constitutes a determination by the Securities and Exchange Commission that registrant is actually entitled to such classification under the Act.

Attention is further called to the provisions of Section 13 of the Act to the effect that no registered diversified investment company may change from a diversified to a non-diversified company without a majority vote of its shareholders.

5. Definitions:

All words and terms used in the form for notification of registration have the same meaning as in the Act. A list of these terms and the sections of the Act in which they are defined as follows:

"closed-end company"
 "company"
 "diversified company"
 "face-surety certificate company"
 "investment adviser"
 "investment company"
 "management company"
 "non-diversified company"
 "open-end company"
 "security"
 "short-term paper"
 "underwriter"
 "unit investment trust"
 "value"
 "voting security"

In addition the following definitions apply: The term "director" is defined in Section 2(a)(12) of the Act. In general the term includes only directors of a corporation, trustees of a common law trust who are natural persons, and natural persons performing similar functions with respect to any organization whether incorporated or unincorporated such as a board of directors or managers of a joint stock company or association.

The term "sponsor" means the depositor or manager of an investment company not having a board of directors as defined above.

6. Failure to file a registration statement required by Section 8(b) of the Act:

Registrant's attention is directed to Rule 8b-5 promulgated under Section 8(b) of the Act. Rule 8b-5 provides that an investment company shall file a registration statement with the Commission within three months after the filing of notification of registration under Section 8(a) of the Act. In addition, the rule provides that if the fiscal year of such company ends within the three-month period, its registration statement may be filed within three months after the end of such fiscal year. Unless an application for an extension of time pursuant to Rule 8b-2 is granted, a registrant's failure to comply with Section 8(b) and Rule 8b-5 thereunder may result in immediate Commission action either to revoke registration under the Act pursuant to Section 8(e) or to institute deregistration proceedings on its own motion pursuant to Section 8(f) of the Act.

When any registrant (1) indicates in Item 9(e) that its outstanding securities are held by less than 100 beneficial owners, (2) fails to comply with Rule 8b-5, and (3) fails to file a registration statement under the Securities Act of 1933 with respect to a proposed public offering within 90 days after the filing of Form S-8 or has withdrawn any such registration statement filed within such 90-day period, the Commission may use such information as the basis for a decision that such registrant has abandoned its intention of engaging in business as an investment company. Such a determination may be used as a basis for a finding by the Commission that such registrant has ceased to be an investment company and for an order, pursuant to Section 8(f) of the Act, declaring that the registration of such registrant shall cease to be in effect.

FORM N-8A

In addition to completing the cover page, a registrant must complete the following items unless it has indicated on the cover page that it is filing the registration statement required pursuant to Section 8(b) of the Investment Company Act of 1940 concurrently with the filing of Form N-8A:

- Item 1. Exact name of registrant. 1/
- Item 2. Name of state under the laws of which registrant was organized or created and the date of such organization or creation.
- Item 3. Form of organization of registrant (for example, corporation, partnership, trust, joint stock company, association, fund).
- Item 4. Classification of registrant (face-amount certificate company, unit investment trust, or management company).
- Item 5. If registrant is a management company:
 - (a) state whether registrant is a "closed-end" company or an "open-end" company;
 - (b) state whether registrant is registering as a "diversified" company or a "non-diversified" company (read Instruction 4(d) carefully before replying).
- Item 6. Name and address of each investment adviser of registrant. 2/

1/ Section 35(d) of the Act should be considered in connection with the registrant's name, as should the following: (a) a review of the current list of Companies Registered under the Investment Company Act of 1940, published by the Commission, to ascertain if the name is similar to that of any existing company; and (b) if the corporate name implies a particular investment medium, industry emphasis or objective, the investment policy should be consistent with the name.

2/ If registrant has a sub-adviser, the name and address of each such sub-adviser should be included in the response to this item.

-2-

- Item 7. If registrant is an investment company having a board of directors, state the name and address of each officer and director of registrant. 3/
- Item 8. If registrant is an unincorporated investment company not having a board of directors:
 - (a) state the name and address of each sponsor of registrant;
 - (b) state the name and address of each officer and director of each sponsor of registrant;
 - (c) state the name and address of each trustee and each custodian of registrant.
- Item 9.
 - (a) State whether registrant is currently issuing and offering its securities directly to the public (yes or no).
 - (b) If registrant is currently issuing and offering its securities to the public through an underwriter, state the name and address of such underwriter.
 - (c) If the answer to Item 9(a) is "no" and the answer to Item 9(b) is "not applicable," state whether registrant presently proposes to make a public offering of its securities (yes or no).
 - (d) State whether registrant has any securities currently issued and outstanding (yes or no).
 - (e) If the answer to Item 9(d) is "yes," state as of a date not to exceed ten days prior to the filing of this notification of registration the number of beneficial owners of registrant's outstanding securities (other than short-term paper) and the name of any company owning 10 percent or more of registrant's outstanding voting securities.

3/ The response to this item should include the full names, not initials, of all officers and directors, and, if all positions on the board are not filled, the number of vacancies should be indicated. Registrant's attention is also directed to Sections 10(a), 10(b), 10(c) and 10(d) of the Act regarding the makeup of the board of directors.

SIGNATURES

- Item 10. State the current value of registrant's total assets.
- Item 11. State whether registrant has applied or intends to apply for a license to operate as a small business investment company under the Small Business Investment Act of 1958 (yes or no).
- Item 12. Attach as an exhibit a copy of the registrant's last regular periodic report to its security holders, if any.

1. Form of signature if registrant is an investment company having a board of directors:

Pursuant to the requirements of the Investment Company Act of 1940, the registrant has caused this notification of registration to be duly signed on its behalf in the city of _____ and state of _____ on the _____ day of _____ 19____.

/s/

Signature

(Name of Registrant)

BY

(Name of director, trustee or officer signing on behalf of Registrant)

Attest:

(Name)

(Title)

FORM 9-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Pre-effective Amendment No. ☐

Post-effective Amendment No. ☐

and/or

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940 ☐

Amendment No. ☐

(Check appropriate box or boxes.)

(Exact Name of Registrant as Specified in Charter)

(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, including Area Code

(Name and Address of Agent for Service)

Approximate Date of Proposed Public Offering

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

Title of Securities Being Registered	Amount Being Registered	Proposed Maximum Offering Price per Unit	Proposed Aggregate Offering Price	Amount of Registration Fee

If the Registration Statement or an amendment thereto is being filed under only one of the Acts, reference to the other Act should be omitted from the facing sheet. The "Approximate Date of Proposed Public Offering" and the table showing the calculation of the registration fee under the Securities Act of 1933 should be included only where shares are being registered under the Securities Act of 1933.

-2-

2. Form of signature if registrant is an unincorporated investment company not having a board of directors.

Pursuant to the requirements of the Investment Company Act of 1940 the [sponsor, trustee or custodian] of the registrant has caused this notification of registration to be duly signed on behalf of the registrant in the city of _____ day of _____ and the state of _____ 19____.

Signature _____ (Name of Registrant)

BY _____ (Name of sponsor, trustee or custodian)

BY _____ (Name of officer of sponsor, trustee or custodian)

Attest: _____ (Name)

_____ (Title)

(11)

GENERAL INSTRUCTIONS

A. Rule as to Use of Form N-1

Form N-1 shall be used by open-end management investment companies for filing (1) an initial Registration Statement required by Section 8(b) of the Investment Company Act of 1940 ("1940 Act"), (2) an annual amendment to a 1940 Act Registration Statement required by Rule 8b-16 [17 CFR 270.8b-16] under the 1940 Act, (3) a Registration Statement required under the Securities Act of 1933 ("1933 Act") and any amendments thereto, or (4) any combination of the above 1940 Act and 1933 Act filings.

B. Registration Fees

Section 6(b) of the 1933 Act and Rule 457 [17 CFR 230.457] thereunder set forth the fee requirements under the 1933 Act. Rule 8b-6 [17 CFR 270.8b-6] under the 1940 Act sets forth the fee requirements for filing an initial Registration Statement under that Act. The 1940 Act fee is in addition to the fee required to be paid under the 1933 Act.

C. Application of General Rules and Regulations

If the Registration Statement is being filed under both Acts or under only the 1933 Act, the General Rules and Regulations under the 1933 Act, particularly those comprising Regulation C [17 CFR 230.400-494], shall apply, and compliance therewith will be deemed compliance with the corresponding Rules pertaining to Registration Statements under the 1940 Act. However, if the Registration Statement is being filed under only the 1940 Act, the General Rules and Regulations under that Act, particularly those comprising Regulation 8B [17 CFR 270.8b-1 to 8b-32], shall apply, except as noted in General Instruction D below.

D. Amendments

1. Attention is specifically directed to Rule 8b-16 [17 CFR 270.8b-16] under the 1940 Act which requires annual amendments of Registration Statements filed pursuant to Section 8(b) of the 1940 Act. Where Form N-1 has been used to file a Registration Statement under both the 1933 and 1940 Acts, any amendments of that Registration Statement shall be deemed to be filed under both Acts unless otherwise indicated on the facing sheet. Irrespective of the purpose for which an amendment is filed, the number of copies of amendments specified in Rule 472 [17 CFR 230.472] under the 1933 Act shall be filed with the Commission.

(11)

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(iv)

- a. The purpose of the prospectus is to inform investors. Hence, the information set forth in the prospectus must be presented in a clear, concise, understandable fashion. The prospectus should contain the information called for by Part I of the Form, except that no reference need be made to inapplicable items. Except for items 1, 2 and 3 of Part I, the information required by the items need not be set forth in the prospectus in the same order in which the items appear in this Form.
 - b. Where it is necessary or desirable to call attention to information duplicated elsewhere in the prospectus, appropriate cross-references should be used.
 - c. The cross-reference sheet required by Rule 404(c) [17 CFR 230.404(c)] under the 1933 Act shall show the location in the prospectus of the information called for by the items in Part I.
 - d. Item 3, "Condensed Financial Information," should not be further back in the prospectus than the fifth page thereof and should not be preceded by any other chart or table. In addition, the information required by Item 5 must be presented immediately following the information required by Item 3.
2. Instructions for Part I where Form N-1 is filed only under Section 8(c) of the 1940 Act:
- a. Registrant need not complete items 1, 2, or 3;
 - b. The numbers and captions of the items contained in Part I shall precede each response. Unless otherwise indicated, inapplicable items may not be omitted.
3. Instructions for Part II for all Registrants:
- a. If the filing is only under the 1940 Act, Item 8 need not be completed.
 - b. The numbers and captions of the items contained in Part II shall precede each response. Unless otherwise indicated, inapplicable items may not be omitted.
4. Instructions for charts, graphs, tables and sales literature:

(iii)

I. Incorporation by Reference

Attention is directed to Rule 24 of the Commission's Rules of Practice (17 CFR 201.24). The rules under both the 1933 Act and the 1940 Act are subject to the limitations of Rule 24. Since the provisions of Rule 24 may be amended from time to time, Registrants are advised to review the Rule as in effect at the time the Registration Statement is filed prior to incorporating by reference any document as an exhibit to such Registration Statement.

F. Documents Comprising Registration Statement or Amendment

1. A Registration Statement or an amendment thereto filed under both the 1933 and 1940 Acts shall consist of the facing sheet of the Form, Part I, Part II, required signatures, and all other documents which are required or which the Registrant may file as a part of the Registration Statement.
2. Except for an amendment to a 1933 Act Registration Statement filed pursuant to the provisions of Section 24(e) of the 1940 Act, a Registration Statement or an amendment thereto which is filed under only the 1933 Act shall contain all the information and documents specified in paragraph 1 of this Instruction F.
3. An amendment to a 1933 Act Registration Statement filed pursuant to the provisions of Section 24(e) of the 1940 Act to register additional securities shall consist of the facing sheet of the Form, required signatures, and an opinion and consent of counsel as to the legality of the securities being registered.
4. A Registration Statement or an amendment thereto which is filed under only the 1940 Act shall consist of the facing sheet of the Form, responses to all items of Part I except items 1, 2 and 3 thereof, responses to all items of Part II except Item 8, required signatures, and all other documents which are required or which the Registrant may file as part of the Registration Statement.

G. Preparation of the Registration Statement or Amendment

1. Instructions for Part I ("Prospectus") where Form N-1 is filed under both the 1933 and 1940 Acts or only under the 1933 Act:

(v)

a. A Registration Statement on this Form may include any chart, graph or table not inconsistent with the Statement of Policy of the Commission Relating to Advertising and Sales Literature Used in the Sale of Investment Company Shares [20 F.R. 783, January 31, 1955, as amended 22 F.R. 8577, November 5, 1957]; however, no chart, graph or table should precede the condensed financial information specified in Item 3.

b. The prospectus should not be presented in fold-out or road-map type fashion. The use of colored print or pages is not objectionable so long as it does not detract from the prospectus presentation. Pictures of management may be used. Type size requirements, which are the minimum acceptable standard, are specified in Rule 420 [17 CFR 230.420] under the Securities Act.

c. If "sales literature" is included in the prospectuses, issuers should be aware of the following: (1) sales literature should not be of such quantity as to overly lengthen the prospectus, and it should not be so placed as to obscure essential disclosure; (2) sales literature included in prospectuses is subject to and must comply with the Commission's Statement of Policy referred to in paragraph a. of this Instruction; and (3) members of the National Association of Securities Dealers are not relieved of the filing and other requirements of the NASD with respect to investment company sales literature. (See Securities Act of 1933 Release No. 5359 dated March 19, 1973) [38 F.R. 7220].

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Part 1. INFORMATION REQUIRED IN PROSPECTUS OR REGISTRATION STATEMENT

Item 1. Cover Page (Prospectus only)

Every prospectus of an open-end management investment company utilized to offer securities to the public shall include an outside front cover page containing only the following items of information:

- (a) the name, address and telephone number of the Registrant, and the investment objective(s);
- (b) the date of the prospectus;
- (c) the statement required by Rule 425 [17 CFR 230.425] under the 1933 Act;
- (d) a statement advising investors to read and retain the prospectus for future reference;
- (e) at the discretion of the Registrant, such legend, logo-type, pictures, or other attention-getting devices not prohibited for use by investment companies in the Statement of Policy of the Commission Relating to Advertising and Sales Literature Used in the Sale of Investment Company Shares [20 F.R. 783, January 31, 1955, as amended 22 F.R. 8577, November 5, 1957]; and
- (f) such other items of information as required by Rules of the Commission or of any other governmental authority having jurisdiction over the Registrant or the issuance of its securities.

Item 2. Synopsis (Prospectus only)

Immediately following the cover page and the table of contents required by Rule 421 [17 CFR 230.421] under the 1933 Act, set forth under an appropriate caption (and sub-captions if appropriate) in a carefully organized series of concise paragraphs a synopsis or summary of the contents of the prospectus highlighting the salient features of the offering and the Registrant with appropriate cross-references to detailed disclosures elsewhere in the prospectus. Such synopsis must precede any data furnished in response to Item 3 hereof. The synopsis must include:

- (a) the class of capital stock or other securities being offered for sale;

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PER SHARE INCOME AND CAPITAL CHANGES
(for a share outstanding throughout the year)

1. Investment income;
2. expenses;
3. net investment income;
4. dividends from net investment income;
5. net realized and unrealized profits (losses) on securities;
6. distributions from net realized profits on securities;
7. net increase (decrease) in net asset value;
8. net asset value at beginning of period;
9. net asset value at end of period;

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10. expenses to average net assets;
11. net investment income to average net assets;
12. portfolio turnover rate;
13. number of shares outstanding at end of period.

Instructions:

1. The information shall be presented in comparative columnar form for each of the last ten fiscal years of the Registrant (or for the life of the Registrant and its immediate predecessors, if less) but only for periods subsequent to the effective date of Registrant's first 1933 Act Registration Statement. In addition, the information shall be presented for the period between the end of the latest fiscal year and the date of the latest balance sheet or statement of assets and liabilities furnished.
2. Per share amounts shall be given at least to the nearest cent. If the computation of the offering price is extended to tenths of a cent or more, then the amounts on the table shall be given in tenths of a cent.

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- (b) the names of each investment adviser and principal underwriter of the Registrant;

- (c) a statement of the maximum sales load as a percentage of the net amount invested, a statement of the maximum sales load as a percentage of the offering price, and a statement indicating whether there are provisions for reduced sales charges;

- (d) the minimum initial and subsequent investment required, if any;

- (e) a brief description of the Registrant's investment objectives;

- (f) a statement as to whether Registrant proposes to operate as an open-end diversified or an open-end non-diversified investment company; if non-diversified, cross-reference to the textual discussion which describes any risks involved;

- (g) the nature of the business of the adviser and its experience in providing advice to investment companies; and the contractual rate and payment schedule of the investment advisory fee;

- (h) the redemption or repurchase price including any special factors, such as automatic redemption and any redemption or repurchase fees; if a secondary market is known to exist, this fact should be disclosed with pertinent details;

- (i) the principal risk or speculative factors; these factors may be due to such matters as an absence of an operating history of the Registrant or the nature of the business in which Registrant engages or proposes to engage;

- (j) any other material or unusual feature that Registrant wants to highlight (for example, important affirmative investment policies or potential conflicts between the Registrant and other entities).

Item 3. Condensed Financial Information

- (a) Furnish within the first five pages of the Registration Statement the following information for the Registrant, or for the Registrant and its subsidiaries consolidated as prescribed in Rule 6-02 [17 CFR 210.6-02] of Regulation S-X:

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9. Distributions not exceeding the capital gains computed on the Federal tax basis may be treated as distributions from net realized profits on securities for purposes of the above table, even though they exceed such profits on a book basis.
10. If any distributions were made from capital sources other than net realized profits on securities, state the per share amounts thereof separately immediately below caption 6. In a footnote indicate the nature of such distributions.
11. The "average net assets," as used in captions 10 and 11 shall be computed upon the basis of the value of the net assets determined no less frequently than as of the end of each month, except that the average value of securities for which market quotations are not available may be based upon the value of such securities as of the end of the preceding quarter.
12. The portfolio turnover rate to be shown at caption 12 shall be calculated in accordance with the following instructions:

- a. The rate of portfolio turnover shall be calculated by dividing (A) the lesser of purchases or sales of portfolio securities for the particular fiscal year by (B) the monthly average of the value of the portfolio securities owned by the Registrant during the particular fiscal year. Such monthly average shall be calculated by totaling the values of the portfolio securities as of the beginning and end of the first month of the particular fiscal year and as of the end of each of the succeeding eleven months, and dividing the sum by 13, except that the average value of securities for which market quotations are not available may be based upon the value of such securities as of the end of the preceding fiscal quarter.

- b. For the purposes of this Item, there shall be excluded from both the numerator and the denominator all U.S. Government securities (short-term and long-term) and all other securities whose maturities at the time of acquisition were one year or less. Purchases shall include any cash paid upon the conversion of one portfolio security into another. Purchases shall also include the cost of rights or

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3. Appropriate adjustments shall be made and indicated in a footnote to reflect any stock split-up or stock dividend during the period.
4. If the investment adviser has been changed during the period covered by this Item, the date(s) of such change(s) should be shown in a footnote.
5. The condensed financial information shall be audited.
6. The amount to be shown at caption 3 is derived by adding (deducting) the increase (decrease) per share in undistributed net income for the year to dividends from net investment income per share for the year (caption 4). Such increase (decrease) may be derived from a comparison of the per-share figures obtained by dividing the undistributed net income at the beginning and end of the year by the number of shares outstanding on those respective dates. (Any other acceptable method should be explained in a footnote to this table.) The amounts to be shown at captions 1 and 2 are derived by applying to the net investment income on a per-share basis the ratio of such items, as shown in the financial statements prepared under Rule 6-04 [17 CFR 210.6-04] of Regulation S-X, to the net income as shown in such statements.
7. "Expenses," as used in caption 2 above, include the expenses described in captions 2 and 3 of Rule 6-04 [17 CFR 210.6-04] of Regulation S-X. If there were income deductions such as those described in captions 4 and 6 of that Rule, compute the per-share amounts thereof and state them separately immediately after caption 2 above.
8. The amount to be shown at caption 5, while mathematically determinable by the summation of amounts computed for as many periods during the year as shares were sold or repurchased (which could be as often as twice daily) is also the balancing figure derived from the other figures in the statement and should be so computed. The amount shown at this caption for a share outstanding throughout the year may not accord with the change in the aggregate gains and losses in the portfolio securities for the year because of the timing of sales and repurchase of Registrant's shares in relation to fluctuating market values for the portfolio.

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2. The method used to determine the averages shown above (e.g., weighted, monthly, daily, etc.) shall be appropriately set forth.
3. Column 5 is derived by dividing the amount shown in column 3 by the number shown in column 4.

Item 4. General Information and History

- (a) State the date and form of organization (e.g., a corporation, unincorporated association, common law trust, etc.) of the Registrant and the name of the state or other sovereign power under the laws of which it was organized.
- (b) If the Registrant has engaged in any business other than that of an investment company during the past five years, state the nature of such other business and give the approximate date on which the Registrant or its predecessor business as an investment company, if the Registrant's name was changed during the period, state its former name and the approximate date on which it was changed. Indicate briefly the nature and results of any bankruptcy, receivership or similar proceedings or any other material reorganization, readjustment or succession during the period.
- (c) If during the past three years any affiliated person of the Registrant had any material interest, direct or indirect, in any transaction involving the purchase of any material amount of assets presently held by the Registrant or any of its subsidiaries, other than in the ordinary course of business, describe the interest of the affiliated person in such transaction and state the cost of such assets to the purchaser and to the seller.

Instruction: No information need be given under paragraph (c) as to the interest of any affiliated person in any transaction exempted from Section 17 of the 1940 Act.

Item 5. Investment Objectives and Policies

- (a) Recital of the Investment Objectives: Describe clearly the investment objective(s) of the Registrant and state whether such objective(s) may be changed without the vote of the holders of a majority of the Registrant's outstanding voting securities.

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warrants purchased. Sales shall include the net proceeds of the sale of rights or warrants. Sales shall also include the net proceeds of redemptions of portfolio securities by call or maturity.

c. If during the fiscal year the Registrant acquired the assets of another investment company or of a parent holding company in exchange for its own shares, it shall exclude from purchases the value of securities so acquired, and from sales all sales of such securities made following a purchase-of-assets transaction to realign the Registrant's portfolio. In such event, the Registrant shall also make appropriate adjustment in the denominator of the portfolio turnover computation. The Registrant shall make appropriate disclosure of such exclusions and adjustments in its answer to this item.

d. The Registrant may make any statement or explanation with respect to any significant variations in the portfolio turnover rates during the three fiscal years.

13. The number of shares outstanding at the end of each period may be shown to the nearest thousand (000 omitted), provided it is indicated that such has been done.

(b) Furnish the following information as of the end of each of the Registrant's last ten fiscal years with respect to each class of senior securities (including bank loans) of the Registrant. If consolidated statements were prepared as of any of the dates specified, the information shall be furnished on a consolidated basis:

(1)	(2)	(3)	(4)	(5)
Year	Amount of Debt Outstanding at End of Period	Average Debt Outstanding during the Period	Number of Registrant's Shares Outstanding during the Period	Average Amount of Debt per Share during the Period

Instructions:

1. Instructions 1, 2 and 5 to Item 3(e) shall also apply to this paragraph.

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- (5) Purchase or sale of real estate and real estate mortgage loans: No information need be given in response to this item as to securities of companies whose investments in real estate are incidental to their primary line of business (i.e., banks).
- (6) Purchase or sale of commodities or commodity contracts: Describe the fundamental policy with respect to the power of the Registrant to engage in the purchase or sale of commodities and commodity contracts, including futures contracts in a contract market or other futures market.

- (7) The making of loans: For the purpose of this item the term "loans" shall not include the purchase of a portion of an issue of publicly distributed bonds, debentures or other securities, whether or not the purchase was made upon the original issuance of the securities. However, the term "loan" includes the fundamental policy which permits the lending of cash or portfolio securities to any person and any agreement with another person which involves the acquisition of securities or other property by the Registrant with a concurrent agreement with such person to reacquire the securities or other property.
- (8) Any policy not recited above in respect of matters which the Registrant deems matters of fundamental policy.

Instruction: The Registrant may reserve freedom of action with respect to any of the foregoing activities but in such cases shall express definitively, in terms of a reasonable percentage of assets to be devoted to the particular activity, or otherwise, the maximum extent to which the Registrant intends to engage therein. See Release No. 157 [11 F.R. 10993] under the 1940 Act. For the purposes of (6) above, attention is directed to the Commodity Futures Trading Commission Act of 1974 (P.L. 93-463, October 23, 1974).

- (c) Recital of Investment Policies: Describe clearly the supporting investment policies, activities and techniques which are not deemed fundamental and which may be changed without shareholder approval (for example, investing for control of management or arbitrage activities).

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Instruction: In responding to this item, the Registrant should describe the types of securities in which it intends to invest and the types of securities which will constitute the major portfolio elements (for example, bonds, common stock, preferred stock and short-term obligations of governments, banks and corporations). In addition, if the Registrant intends to invest in something other than securities, this should be described. The investment objective(s) should not be inconsistent with the Registrant's name.

- (b) Recital of Fundamental Policies: Describe the policy or the proposed policy of the Registrant with respect to each of the following activities ("fundamental policies") and outline the extent, if any, to which the Registrant has engaged in such activities during the period covered by the financial statements filed herewith.

Instruction: For the purposes of this item, the term "fundamental policy" is defined as any policy which the Registrant has deemed to be fundamental or any policy which may not be changed without the approval of a majority of the Registrant's outstanding voting securities.

- (1) The issuance of senior securities: Include in this response any fundamental policy with respect to short sales, purchases on margin and the writing of put and call options.
- (2) The borrowing of money: Describe the fundamental policy which limits or restricts the extent to which the Registrant may borrow money and give the purpose for which the proceeds will be used.
- (3) The underwriting of securities of other issuers: Include any fundamental policy with respect to the acquisition of restricted securities (securities that must be registered under the Securities Act of 1933 before they may be offered or sold to the public).
- (4) The concentration of investments in a particular industry or group of industries: For the purposes of this item concentration is deemed to mean 25 percent or more of the value of the Registrant's assets invested in or proposed to be invested in a particular industry or group of industries. The Registrant's name should not be inconsistent with the fundamental policy recited in response to this item.

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- (a) If available, state for the period covered by the financial statements filed herewith:
- (1) the aggregate dollar amount of purchases and sales of the Registrant's portfolio securities, other than Government securities;
 - (2) the aggregate dollar amount of brokerage commissions paid by the Registrant;
 - (3) the aggregate dollar amount, if any, of brokerage commissions paid by the Registrant to any affiliated person of the Registrant and the identity of each such affiliated person and all capacities in which such person is affiliated with the Registrant.
- Instructions:
1. If an affiliated person of the Registrant either alone or together with others is a controlling person of such a broker/dealer, Registrant must disclose such fact but need not supply the specific amount or percentage of the outstanding voting securities of that broker/dealer which is owned by such a controlling person. With respect to any person named in response to this Item, Registrant must disclose all of the capacities in which such person is affiliated with that broker/dealer.
 2. See Instruction 1 to Item 10(a) of Part 1 for a definition of "control."

- (b) State whether the Registrant or its investment adviser places orders for the purchase and sale of Registrant's portfolio securities.
- (c) State the factors considered by the Registrant or its investment adviser in allocating brokerage to affiliated and nonaffiliated brokers, and a brief description of the importance given such factors in negotiating brokerage commissions.
- (d) If during the fiscal year dealers who sold shares of the Registrant, or broker-dealers who furnished services or benefits in the form of payment of expenses or otherwise to the Registrant or to its investment adviser or to dealers who sold shares of the Registrant, participated in commissions or other compensation paid in connection with purchases and sales of portfolio securities for

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Instructions:

1. In responding to this Item the Registrant should disclose the extent to which it will engage in and the risks inherent in each investment policy, technique and activity.
 2. State which policies, activities and techniques were not utilized by the Registrant during the period covered by the financial statements filed herewith.
- (d) Portfolio Turnover: State the Registrant's policy with respect to portfolio turnover.
- Instruction: In responding to this Item the Registrant should set forth an estimate of the annual rate of portfolio turnover for the current fiscal year, given the investment objectives, policies, techniques and activities described in response to this Item 5.

Item 6. Tax Status

- (a) State the Registrant's current tax status under the Internal Revenue Code (26 CFR 0-699) and indicate whether Registrant anticipates any change in such status.

Instruction: The response should summarize Registrant's tax status at the time of filing as well as its intention with respect to qualification as a regulated investment company under the Internal Revenue Code (26 CFR 0-699).

- (b) Under Registrant's current tax status, describe the tax treatment accorded income dividends and capital gains distributions to both the Registrant and a shareholder of the Registrant.
- (c) If not disclosed above, describe any special or unusual tax aspects of Registrant, such as taxation resulting from foreign investment or from status as a personal holding company, or any tax loss carry-forward to which Registrant may be entitled.

Item 7. Brokerage Allocation

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11(a)

the Registrant, either directly in payment for executing purchase and sale orders, or indirectly by participating in the commissions paid to the brokers who executed purchase and sale orders, furnish the following information:

- (1) Describe specifically and fully the practice followed with respect to the degree of participation of such brokers or dealers in commissions or other compensation and the basis or bases upon which such participation was allocated, including the nature of the services or benefits made available to the Registrant, its investment adviser, or dealers who sold shares of the Registrant. Include also a clear statement of the practice followed with respect to the allocation of commissions or other compensation paid on portfolio transactions effected in the over-the-counter market.
- (2) State the names of and positions held, in the Registrant, investment adviser, underwriter, or otherwise, by the person or persons who made the determination as to the participations in commissions or other compensation as referred to in subparagraph (1) above.

Instructions:

1. Where participations in commissions or other compensation involved, in whole or in part, the application of a general or a specific formula or other determinant, as, for example, the relative sales of the Registrant's shares, the answer should describe in detail such formula or other determinant.
2. Describe any practice of according participations in commissions or other compensation to brokers or dealers on a combined basis in respect of portfolio transactions of the Registrant and other investment companies which have the same investment adviser or principal underwriter.

Item 8. Pending Legal Proceedings

With respect to any proceeding instituted by a government, or litigation in which either the Registrant, a principal underwriter or affiliated person of the Registrant, or an affiliated person of each affiliated person or such principal underwriter is a party defendant or respondent, set forth the information required below if the litigation or proceeding would (1) have a material adverse effect upon the Registrant or its assets, (2) be materially beneficial to the Registrant, and its board of directors believes that the benefit can be reasonably estimated and that there is a reasonable likelihood of recovery, (3) have a

material adverse effect upon the Registrant's investment adviser's or underwriter's ability to perform its contract with the Registrant or (4) if a governmental proceeding it is under the Investment Advisers Act of 1940, Investment Company Act of 1940, the Securities Exchange Act of 1934 or the Securities Act of 1933:

- (a) the title of the litigation or governmental proceeding;
- (b) the name of the court in which the litigation is pending;
- (c) the date on which the litigation or governmental proceeding was instituted;
- (d) the principal parties to the litigation or governmental proceeding;
- (e) concisely and as precisely as practicable the nature and likelihood of the material effect on the Registrant.

Instruction: No information need be given with respect to any litigation against the Registrant which involves a claim for damages if the amount involved, exclusive of interest and costs, does not in the opinion of counsel exceed 5 percent of the net asset value of the Registrant. However, if any proceeding presents substantially the same issues as other proceedings pending or known to be contemplated, the amount involved in such other proceedings shall be included in computing such percentage.

Item 9. Control Persons and Principal Holders of Securities

Furnish the following information as of a specified date no more than 90 days prior to the date of filing the Registration Statement or an amendment thereto.

- (a) State the name and address of each person who controls the Registrant and state the effect of such control on the voting rights of other security holders. As to each such control person state the percentage of the Registrant's voting securities owned or other basis of control. If such control person is a company, give the state or other sovereign power under the laws of which it was organized and list all parents of such

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control person showing the basis of control and as to each parent the percentage of voting securities owned or other basis of control by its immediate parent.

Instruction: For the purpose of this item, "control" shall mean (i) the beneficial ownership, either directly or through one or more controlled companies, of more than 25 percent of the voting securities of a company; (ii) the acknowledgment or assertion by the Registrant of the existence of control; or (iii) an adjudication under Section 2(a)(9) of the 1940 Act, which has become final, that control exists.

(b) State the name, address and percentage of ownership of each person who owns or is known by the Registrant to own or record or beneficially 5 percent or more of any class of the Registrant's outstanding equity securities.

Instructions:

1. The percentages are to be calculated on the basis of the amount of securities outstanding.

2. If securities are being registered in connection with, or pursuant to a plan of acquisition, reorganization, readjustment or succession, indicate, as far as practicable, the status to exist upon consummation of the plan on the basis of present holdings and commitments.

3. If to the knowledge of the Registrant or any principal underwriter of its securities, 5 percent or more of any class of voting securities of the Registrant are or will be held subject to any voting trust or other similar agreement, this fact should be disclosed.

4. Indicate whether the securities are owned both of record and beneficially, or record only, or beneficially only, and show the respective percentages owned in each manner.

(c) Show all equity securities of the Registrant owned by all officers, directors, and members of the advisory board of the Registrant as a group, without naming them. In any case where the amount owned by directors and officers as a group is less than 1 percent of the class, a statement to that effect will suffice.

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Item 10. Directors, Executive Officers and Advisory Board Members
Furnish the information required by the following table as to each director and executive officer of the Registrant, and if the Registrant has an advisory board as to each member of such board. Also state the nature of any family relationship between persons listed.

(1)	(2)	(3)	(4)
Name and Business Address	Positions and Offices with Registrant	Principal Occupations during Past 5 Years	Positions and Offices Held with Other Affiliated Persons or Principal Underwriters

Instructions:

1. For the purposes of this Item, the term "executive officer" means the president, vice-president, secretary and treasurer, and any other officers who perform policy-making functions for the Registrant. The term "family relationship" means any relationship, by blood, marriage or adoption, not more remote than first cousin.

2. Show also under column (3) the principal business of any corporation or other organization in which such principal occupation is carried on.

3. List under column (4) the name of each affiliated person of the Registrant, other than members of the advisory board, with which any officer, director or member of the advisory board is connected in any capacity and show all positions and offices held with such person.

4. If the Registrant has an executive or investment committee, the members should be identified and there should be a concise statement of the duties and functions of such committee.

Item 11. Remuneration of Directors and Others

Furnish the information required by the following table as to each of the persons specified below who received from the Registrant and its subsidiaries during the Registrant's last fiscal year aggregate remuneration in excess of \$40,000 for services in all capacities:

- (a) Each director, officer, and advisory board member of the Registrant.
- (b) Each affiliated person of the Registrant except investment advisers.
- (c) Each principal underwriter.

- (d) Each affiliated person of an affiliate or of a principal underwriter of the Registrant.
- (e) All directors, officers and members of the advisory board of the Registrant as a group, without naming them.

(1)	(2)	(3)	(4)	(5)
Capacities in Which	Amounts Accrued	Estimated Annual		
Name of Remunerated Person	Aggregate During Registrant's Last Fiscal Year	Benefits Upon Retirement		

Instructions:

1. This item applies to any person who was a director, officer or member of the advisory board of the Registrant at any time during the last fiscal year. The information is to be given on an accrual basis if practicable.
2. If the Registrant has not completed its first full fiscal year since its organization, the information shall be given for the current fiscal year, estimating future payments if necessary.
3. Columns (4) and (5) should be answered only for those persons named in response to paragraph (a) of this item and should include all pension or retirement benefits proposed to be paid by the Registrant under any existing plan in the event of retirement at normal retirement date, directly or indirectly, by the Registrant or any of its subsidiaries to each such person.
4. Column (4) need not be answered with respect to payments computed on an actuarial basis pursuant to any plan which provides for fixed benefits in the event of retirement at a specified age or after a specified number of years of service.
5. The information called for by Column (5) may be given in a table showing the annual benefits payable upon retirement to persons in specified salary classifications.
6. In the case of any plan (other than those specified in Instruction 3) where the amount set aside each year depends upon the amount of earnings of the issuer or

its subsidiaries for such year or a prior year, or where it is otherwise impracticable to state the estimated annual benefits upon retirement, there shall be set forth, in lieu of the information called for by column (5), the aggregate amount set aside or accrued to date, unless it is impracticable to do so, in which case there shall be stated the method of computing such benefit.

Item 12. Custodian of Portfolio Securities

State the name, principal business address and, if other than a commercial bank, trust company, or depository registered with the Commission, the nature of the business of each person holding portfolio securities of the Registrant as custodian.

Instructions:

1. If Registrant's custodian arrangements authorize the use of a central depository, the response should include a description of the services to be provided by the depository.
2. If an affiliated person of the Registrant or an affiliated person of such an affiliated person acts as custodian for the Registrant's portfolio securities, the response should include a description of the services performed by any such person and the basis for remuneration.

Item 13. Investment Advisers

- (a) Furnish the following information with respect to each investment adviser:

- (1) Name and principal business address.
- (2) A description of its business history as an adviser, including the number of years it has been in the advisory business; the total amount of assets it manages; the types of investment portfolios it has managed; the names of all controlling persons of the investment adviser and the basis of control of the investment adviser and its controlling persons by its immediate controlling person; and, if material to such history, the business history of any organization which controls the adviser.
- (3) Name and address of any affiliated person of the Registrant who is also an affiliated person of the investment adviser and the nature of such affiliation.

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(b) Furnish a description of all fees, expenses, and costs of the Registrant which are to be paid by persons other than the investment adviser at the Registrant, and identify such persons.

(c) Furnish a summary of the material provisions and purposes of any other management-related, bookkeeping or similar services contracts between the Registrant and the adviser or any other persons performing such contracts, indicating the net dollar amounts paid by the Registrant pursuant to any such contract for the period covered by the financial statements filed herewith.

Instructions:

1. The term "similar services" is not intended to include services performed by any person in the capacity of custodian, transfer agent, or dividend-paying agent for the Registrant; services for which payment is made at a standard rate for mailing proxies or periodic reports to the shareholders of the Registrant, or the like; or any service for which aggregate payments of less than \$500 were made during the period covered by the financial statements filed herewith.

2. In summarizing the material provisions and purposes of this type of contract state the name of the person providing the services; the direct or indirect relationship, if any, of such person with the Registrant, its investment adviser, or its principal underwriter; the nature of the services provided; and the amount and basis of the compensation paid for the services for the period covered by the financial statements filed herewith.

(d) If any person (other than a bona fide director, officer, member of an advisory board, or employee of the Registrant, as such, or a person named as an investment adviser in response to paragraph (a) above), pursuant to any understanding, whether formal or informal, regularly furnishes advice to the Registrant or to the investment adviser of the Registrant with respect to the desirability of the Registrant's investing in, purchasing, or selling securities or other property should be purchased or sold by the Registrant, furnish the following information:

(1) The name of such person.

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Instruction: If an affiliated person of the Registrant either alone or together with others is a controlling person of the investment adviser, the Registrant must disclose such fact but need not supply the specific amount or percentage of the outstanding voting securities of the investment adviser which is owned by such a controlling person. With respect to any person named in response to this item, Registrant must disclose all of the capacities in which such person is affiliated with the investment adviser. See Instruction to Item 9(a) of Part I for a definition of "control."

(4) The method of computing the advisory fee payable by the Registrant.

Instruction: If the advisory fee payable by the Registrant varies depending on the Registrant's investment performance in relation to some standard, such standard must be set forth along with a fee schedule in tabular form. Registrant may include examples showing the fees the adviser would earn at various levels of performance, but such examples must include calculations showing the maximum and minimum fee percentages which could be earned under the contract.

(5) The net dollar amounts paid to the adviser by the Registrant under the investment advisory contract for the period covered by the financial statements filed herewith.

(6) A description of all services performed for or on behalf of the Registrant, which services are supplied or paid for wholly or in substantial part by the investment adviser in connection with the investment advisory contract.

(7) A brief description of any expense limitation provision and a statement of the amounts of any reimbursements paid or reductions of advisory fee furnished by the adviser pursuant to any such provision for the period covered by the financial statements filed herewith.

Instruction: Where a Registrant is subject to more than one expense limitation provision, it need describe only the most restrictive of such provisions.

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- (2) A description of the circumstances involved and the nature of the advice or information furnished.
- (3) The remuneration (including participation, directly or indirectly, in commissions or other compensation paid in connection with transactions in portfolio securities of the Registrant) paid for such advice or information, and a statement as to how such remuneration was paid and by whom it was paid for the period covered by the financial statements filed herewith.

Instruction: Information need not be included in response to this item with respect to any of the following: (i) persons whose advice was furnished to the investment adviser or the Registrant solely through uniform publications distributed to subscribers thereto, or (ii) persons who furnished the investment adviser or the Registrant with only statistical and other factual information, advice regarding economic factors and trends, or advice as to occasional transactions in specific securities, but without generally furnishing advice to them or making recommendations to them regarding the purchase or sale of securities by the Registrant.

Item 14. Capital Stock and Other Securities

- (a) With respect to each class of capital stock of the Registrant, state the title of such class, and provide the following information:

- (1) Outline briefly (a) dividend rights, (b) voting rights, (c) liquidation rights, (d) pre-emptive rights, (e) conversion rights, (f) redemption provisions, (g) sinking fund provisions, and (h) liability to further calls or to assessment by the Registrant.
- (2) If the rights of holders of such stock may be modified otherwise than by a vote of a majority or more of the shares outstanding, voting as a class, so state and explain.
- (3) Outline any restriction on the repurchase or redemption of shares by the Registrant.

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Instructions:

1. If any class of securities possesses cumulative voting rights, disclose the existence of such rights and explain the operation of cumulative voting.
2. If the rights evidenced by any class of securities being described are materially limited or qualified by the rights of any other class of securities, include such information regarding such other securities as will enable investors to understand the rights evidenced by the securities being described.
3. A negative response is required if any of the above rights do not apply to any class of stock.

- (b) If the Registrant has any authorized securities other than capital stock, outline briefly the rights evidenced thereby. If the securities are subscription warrants or rights, state the title and amount of securities called for, the period during which and the prices at which the warrants or rights are exercisable.

Instruction: Instructions 1-3 of Item 14(a) also apply to Item 14(b).

- (c) State the policy Registrant will follow in deciding when to pay dividends from its net investment income and make distributions of any realized capital gains.

Item 15. Pricing of Registrant's Securities

Purnish the following information concerning the pricing of the Registrant's securities:

- (a) The method followed or to be followed by the Registrant in determining the total offering price at which its securities may be acquired by the public.

Instructions:

1. The valuation procedure used by the Registrant in determining net asset value and public offering price must be described, unless such procedure is set forth in the financial statements and cross-referenced in the text.

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- (d) If Registrant's securities are traded in a market place, describe the procedure to be followed by the investor in making a determination to sell in the market place or sell back to the Registrant, directly (Redemption) or indirectly (Repurchase). Describe the factors which the security holder should assess in making this determination.

Item 16. General Information as to Plan of Distribution

- (a) With respect to the public distribution of securities of the Registrant state:

- (1) for each principal underwriter distributing securities of the Registrant, state the name, principal business address, nature of any material relationship with the Registrant (other than of principal underwriter) and nature of the obligation to distribute the Registrant's securities;
- (2) whether the offering is continuous;
- (3) the aggregate dollar amount of underwriting commissions for each of the periods covered by the financial statements filed herewith;
- (4) whether the Registrant offers its securities pursuant to a letter of intent, and if it does, the significance of such a letter in terms of obtaining a reduction in the sales loads;
- (5) whether the Registrant offers its securities in conjunction with the Self-Employed Individuals Tax Retirement Act of 1962 (Keogh Plans) or the Individual Retirement Security Act of 1974 or any other retirement plan and the costs or fees charged in connection therewith;
- (6) whether the Registrant provides such services as accumulation plans, withdrawal plan, or exchange privileges and a description of the services offered; and
- (7) the sales charge, if any, as a percentage of the public offering price and as a percentage of the net amount invested for each breakpoint. Show the sales load reallocated to dealers as a percentage of the public offering price. These percentages should be shown in a tabular presentation.

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2. The response should state how the excess of offering price over the net amount invested is distributed among the Registrant's principal underwriters or others and the basis for determining the total offering price.
3. State the time (or times) each day when the net asset value is calculated for the purpose of pricing shares.

4. Explain fully any difference in the price at which securities are offered to the public, as individuals and as groups, and to officers, directors or employees of the Registrant, its adviser or underwriter.

5. If not furnished in the balance sheet required by Item 18 of Part I furnish a specimen price make-up sheet showing the computation of the total offering price per unit using as a basis the value of the Registrant's portfolio securities and other assets and its outstanding securities as of the date of the balance sheet filed by the Registrant.

- (b) Describe the pricing and payment procedure for redemption and any formal requirements or any costs involved, including redemption charges. Also describe the assets to be received by the investor (cash or portfolio securities) upon redemption.

Instructions:

1. Include any reimbursement privileges permitted after redemption which are offered by the Registrant. (See 1940 Act Rule 22d-2) [17 CFR 270.22d-2].

2. If Registrant's organizational documents permit the Registrant to reserve the right to redeem shares automatically in accounts below a certain number or value of shares, this power should be discussed.

3. If Registrant has elected to redeem shareholdings in accordance with the provisions of Rule 18f-1 [17 CFR 270.18f-1] under the 1940 Act, the fact of the election and the conditions of the Rule should be discussed.

- (c) Describe any arrangement whereby a shareholder can sell his shares to the Registrant or its underwriter through a broker-dealer and describe any costs to investors involved.

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Instructions:

1. Responses to this Item should indicate from whom investors can obtain application forms for the services specified above.
2. All that is required to be disclosed as to the nature of the underwriters' obligation to distribute the Registrant's securities is that it is merely an agency or "best efforts" arrangement under which the underwriters are required to take and pay for only such securities as they may sell to the public.

- (b) With respect to each affiliated person of the Registrant who is also an affiliated person of a principal underwriter of the Registrant, identify such person and give the principal business address and the nature of such affiliation.

Instruction: If an affiliated person of the Registrant either alone or together with others is a controlling person of a principal underwriter of the Registrant, the Registrant must disclose such fact but need not supply the specific amount or percentage of the outstanding voting securities of such principal underwriter which is owned by such a controlling person. With respect to any person named in response to this Item, the Registrant must disclose all of the capacities in which such person is connected with such a principal underwriter and the Registrant. See Instruction to Item 9(a) of Part I for a definition of "control."

- (c) Furnish the information required by the following table with respect to all commissions and other compensation received by each principal underwriter, directly or indirectly, from the Registrant during the Registrant's last fiscal year:

(1)	(2)	(3)	(4)	(5)
Name of Principal Underwriter	Net Underwriting Discounts and Commissions	Compensation on Redemption and Repurchases	Brokerage Commissions	Other Compensation

Instruction: Indicate in a note, or otherwise, the nature of the services rendered in consideration of the compensation set forth under column (5). Include

under this column any compensation received by an underwriter for keeping the Registrant's securities outstanding in the hands of the public.

- (d) If during the Registrant's last fiscal year any payments were made by the Registrant to an underwriter or dealer in the Registrant's shares other than (a) payments made through deduction from the offering price at the time of sale of securities issued by the Registrant, (b) payments representing the purchase price of portfolio securities acquired by the Registrant, (c) commissions on any purchase or sale of portfolio securities by the Registrant, or (d) payments for investment advisory services pursuant to an investment advisory contract, furnish the following information:

- (1) the name and address of the underwriter or dealer;
- (2) a description of the circumstances surrounding payments;
- (3) the amount paid;
- (4) the basis on which the amount of the payment was determined and the consideration received for it.

Instructions:

1. Do not include in the answer to this Item any information furnished in the answers to Items 13(c) or 14(c) above. Do not include any payment for a service excluded by Instruction 1 to Item 13(c) above.

2. If the payments were made pursuant to an arrangement or policy applicable to dealers generally, it will be sufficient to describe such arrangement or policy.

Item 17. Financial Statements

A Registration Statement in Part I of this Form shall contain, in a separate section following the responses to the foregoing Items, the financial statements specified in the following instructions:

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b. If the latest fiscal year of the Registrant has ended within 90 days prior to the date of filing and the statement required by paragraph a. is filed as of the end of the preceding fiscal year, there shall be filed as an amendment to the Registration Statement, within 120 days after the date of filing, a certified consolidated balance sheet or statement of assets and liabilities of the Registrant and its subsidiaries as of the end of the latest fiscal year.

4. Consolidated Statements of Income and Expense, Realized and Unrealized Gain or Loss on Investments: The statements specified in Rules 6-04, 6-05 and 6-06 [17 CFR 210.6-04, 05 and 06] of Regulation S-X shall be filed for the Registrant and its subsidiaries consolidated for each of the last three fiscal years preceding the date of the consolidated statement required by Instruction 3.a. and for the fiscal year immediately preceding the date of each consolidated statement filed pursuant to Instruction 3.b. Such statements shall be certified.

C. Unconsolidated Subsidiaries

5. Unconsolidated Subsidiaries:

a. Subject to Rules 4-03 [17 CFR 210.4-03] and 6-02 [17 CFR 210.6-02] of Regulation S-X regarding group statements of unconsolidated subsidiaries, there shall be filed for each subsidiary of the Registrant not consolidated, the financial statements which would be required if the subsidiary were itself a Registrant. However, the profit and loss statements or statements of income and expense, realized and unrealized gain or loss on investments filed for any subsidiary which is less than majority-owned need cover only the last fiscal year immediately preceding the date of the balance sheet or statement of assets and liabilities filed for such subsidiary.

b. If the fiscal year of any unconsolidated subsidiary ends within 90 days before the date of filing the Registration Statement, or ends after the date of filing, the financial statements of the subsidiary may be filed as an amendment to the Registration Statement within 120 days after the end of the subsidiary's fiscal year.

6. Omission of Statements Required by Instruction 5: Notwithstanding Instruction 5, there may be omitted from the Registration Statement all financial statements of any one or more unconsolidated subsidiaries if all such subsidiaries for which statements are so omitted, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

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Instructions as to Financial Statements: These instructions specify the financial statements required to be filed as a part of a Registration Statement on this Form. Article 6 of Regulation S-X [17 CFR 210.6-01 to 210.6-10] governs the certification, form and content of the statements required, including the basis of consolidation, and prescribes the statements of surplus and schedules to be filed in support thereof.

A. Statements of the Registrant

1. Balance Sheets and Statements of Assets and Liabilities:

a. The Registrant shall file a certified balance sheet or statement of assets and liabilities as of the close of its latest fiscal year unless such fiscal year has ended within 90 days prior to the date of filing, in which case the statements may be as of the close of the preceding fiscal year.

b. If the latest fiscal year of the Registrant has ended within 90 days prior to the date of filing and the statement required by paragraph a. is filed as of the end of the preceding fiscal year, there shall be filed as an amendment to the Registration Statement, within 120 days after the date of filing, a certified statement of the Registrant as of the end of its latest fiscal year.

2. Statements of Income and Expense, Realized and Unrealized Gain or Loss on Investments: The statements specified in Rules 6-04, 6-05 and 6-06 [17 CFR 210.6-04, 05 and 06] of Regulation S-X shall be filed for the Registrant for each of its last three fiscal years preceding the date of the statement required by Instruction 1.a. and for the fiscal year immediately preceding the date of each statement filed pursuant to Instruction 1.b. Such statements shall be certified.

B. Consolidated Statements

3. Consolidated Balance Sheets and Statements of Assets and Liabilities:

a. There shall be filed a certified consolidated balance sheet or statement of assets and liabilities of the Registrant and its subsidiaries as of the close of the latest fiscal year of the Registrant, unless such fiscal year has ended within 90 days prior to the date of filing, in which case this statement may be as of the close of the preceding fiscal year.

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filled, as to the accounts of each person whose balance sheet or statement of assets and liabilities is filed. The information is to be given as to all of the accounts specified whether they are presently carried on the books or not. Part E does not call for an audit, but only for a survey or review of the accounts specified. It should not be detailed beyond a point material to an investor. Information may be omitted, however, as to any person for whom equivalent information for the period has been filed with the Commission pursuant to the Securities Act of 1933 or the Securities Exchange Act of 1934.

10. Revaluation of Assets:

- a. If there were any material increases or decreases in investments, in property, plant and equipment, or in tangible assets, state (i) in which year or years such revaluations were made, (ii) the amounts of such increases or decreases and the accounts affected, including all related entries, and (iii) if in connection with such revaluations any related adjustments made in reserve accounts and amounts with explanations.
- b. Information is not required as to adjustments made in the ordinary course of business, but only as to major revaluations made for the purpose of entering in the books current values, reproduction cost, or any values other than original cost.
- c. No information need be furnished with respect to any revaluation entry which was subsequently reversed or with respect to the reversal of a revaluation entry recorded prior to the period if a statement as to the reversal is made.

11. Capital Shares:

- a. If there were any material restatements of capital shares which resulted in transfers from capital share liability to surplus or reserve, state the amount of each such restatement and all related entries. No statement need be made as to restatements resulting from the declaration of share dividends.
- b. If there was an original issue of capital shares any part of the proceeds of which was credited to accounts other than capital share accounts, state the title of the class, the accounts and the respective amounts credited thereto.

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D. General Provisions

7. Reorganization or Succession:

- a. If, during the period for which statements of income and expense, realized and unrealized gain or loss on investments are required to be filed with the Registration Statement, the Registrant has emerged from a reorganization in which substantial changes occurred in its asset, liability, capital share, surplus or reserve accounts, a brief explanation of such changes shall be set forth in a note or supporting schedule to the balance sheets or statements of assets and liabilities filed.
- b. If, during such period, the Registrant has acquired by merger, consolidation or other succession one or more businesses representing, in the aggregate, assets valued in excess of 15% of the value of the Registrant's assets at the time of filing, the additions, eliminations and other changes effected in the succession shall be appropriately set forth in a note or supporting schedule to the balance sheets or statements of assets and liabilities filed. In addition, profit and loss or income statements for each business so acquired, or combined statements if appropriate, shall be filed for such period prior to the succession as may be necessary when added to the time, if any, for which profit and loss or income statements after the succession are filed to cover the equivalent of three full fiscal years.
8. Filing of Other Statements in Certain Cases: The Commission may, upon the informal written request of the Registrant, and where consistent with the protection of investors, permit the omission of one or more of the statements herein required or the filing in substitution thereof of appropriate statements of comparable character. The Commission may also by informal written notice require the filing of other statements in addition to, or in substitution for, the statements herein required in any case where such statements are necessary for an adequate presentation of the financial condition of any person whose financial statements are required, or whose statements are otherwise necessary for the protection of investors.

E. Historical Financial Information

9. Scope of Part E: The information required by Part E shall be furnished for the seven-year period preceding the period for which profit and loss statements or statements of income and expense, realized and unrealized gain or loss on investments are

12. Debt Discount and Expense Written Off: If any material amount of debt discount and expense, on long-term debt still outstanding, was written off earlier than as required under any periodic amortization plan, give the following information: (i) title of the securities, (ii) date of the write-off, (iii) amount written off and (iv) to what account charged.
13. Other Changes in Surplus: If there were any material increases or decreases in surplus, other than those resulting from transactions specified above, the closing of the income and profit and loss accounts or the declaration or payment of dividends, state (i) the year or years in which such increases or decreases were made, (ii) the nature and amounts thereof and (iii) the accounts affected including all material related entries. Instruction 10.c. above shall also apply here.
14. Predecessors: The information shall be furnished, to the extent it is material, as to any predecessor of the Registrant from the beginning of the period to the date of succession, not only as to the entries made respectively in the books of the predecessor or the successor, but also as to the changes effected in the transfer of the assets from the predecessor. However, no information need be furnished as to any one or more predecessors which, considered in the aggregate, would not constitute a significant predecessor.
15. Omission of Certain Information:
- No information need be furnished as to any subsidiary, whether consolidated or unconsolidated, for the period prior to the date on which it became a subsidiary of the Registrant or a predecessor for which information is required above.
 - No information need be furnished hereunder as to any one or more unconsolidated subsidiaries for which separate financial statements are filed if all subsidiaries for which the information is so omitted, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.
 - Only the information specified in Instruction 10 need be given as to any predecessor or any subsidiary thereof if immediately prior to the date of succession thereto by a person for which information is required the predecessor subsidiary was in insolvency proceedings.
16. Instructions for Financial Statements in Prospectus:
- If any balance sheet or statement of assets and liabilities filed is not as of a date within 90 days prior to the date of filing the Registration Statement on this form, there shall also be included in the prospectus a corresponding balance sheet or statement of assets and liabilities as of a date within 90 days prior to the date of filing and the related statements prescribed by Article 6 [17 CFR 210.6-01 to 210.6-10] of Regulation S-X from the close of the latest fiscal year for which such statements are included up to the date of the balance sheet or statement of assets and liabilities required by this paragraph. The statements required by this paragraph need not be certified, but if they are certified the balance sheet or statement of assets and liabilities as of the end of the last fiscal year may be omitted.
 - Notwithstanding the requirements the following may be omitted from the prospectus of a registered investment company:
 - the statements of any subsidiary which is not a majority-owned subsidiary;
 - all schedules in support of the most recent balance sheet or statement of assets and liabilities filed except the following: Schedule I; columns A, E, F and G of Schedule II; and columns A, B, C and D of Schedule III, omitting the information called for by paragraph (b) of footnote 1 to column A;
 - the historical financial information called for by Part E.
 - The Registrant may, at its option, furnish all financial statements specified in paragraphs a. and b. above in Part II of the Registration Statement and include only the following statements in its prospectus:
 - A statement of assets and liabilities in which the details of Schedules I, II and III prescribed by Instructions a. and b. above may be substituted for the summaries of these items as prescribed by Rule 6-03 [17 CFR 210.6-03] of Regulation S-X. The specimen price-make-up

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sheet required by Item 16.a. may be furnished as a continuation of this statement. If this option is elected, the statement required by Rule 6-09 [17 CFR 210.6-09] may be omitted from the prospectus.

- (ii) An income statement for the latest fiscal year in the form specified in Rule 6-04 [17 CFR 210.6-04] of Regulation S-X, including, on the same page, (1) the items specified in caption 5 of Rule 6-05 [17 CFR 210.6-05] and caption 2 of Rule 6-06 [17 CFR 210.6-06], and (2) the ratio of total operating and management expenses to total investment income. "Total operating and management expenses" means the aggregate of the expenses described in captions 2 and 3 of Rule 6-04 [17 CFR 210.6-04] of Regulation S-X. "Total investment income" does not include equalization adjustments.
- (iii) Statements of changes in net assets for the three full fiscal years prior to the date of filing (or for the life of the Registrant, if less) as prescribed by Rule 6-08 [17 CFR 210.6-08].
- Except that the statement prescribed by (ii) above is required for only one fiscal year and an interim period, if any, to within 90 days of filing, the instructions as to dates and certification prescribed in Item 16.a above shall be applicable to the optional statements permitted by this instruction 3.
- d. Regulation S-X governs the certification, form and content of the financial statements required, including the basis of consolidation, and prescribes the statements of surplus and schedules to be filed in support thereof.

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PART II. OTHER INFORMATION

Item 1. Financial Statements and Exhibits

List all financial statements and exhibits filed as part of the Registration Statement.

(a) Financial statements:

Instruction: Designate those financial statements included in Part I and those financial statements included in Part II of the Registration Statement.

(b) Exhibits:

- (1) copies of the charter as now in effect;
- (2) copies of the existing by-laws or instruments corresponding thereto;
- (3) copies of any voting trust agreement with respect to more than 5 percent of any class of equity securities of the Registrant;
- (4) specimens or copies of each security issued by the Registrant, including copies of all constituent instruments, defining the rights of the holders of such securities, and copies of each security being registered;
- (5) copies of all investment advisory contracts relating to the management of the assets of the Registrant;
- (6) copies of each underwriting or distribution contract between the Registrant and a principal underwriter, and specimens or copies of all agreements between principal underwriters and dealers;
- (7) copies of all bonus, profit sharing, pension or other similar contracts or arrangements wholly or partly for the benefit of directors or officers of the Registrant in their capacity as such; if any such plan is not set forth in a formal document, furnish a reasonably detailed description thereof;
- (8) copies of all custodian agreements, and depository contracts under Section 17(f) of the 1940 Act, with respect to securities and similar investments, of the Registrant, including the schedule of remuneration;

Instructions:

1. The list or diagram shall include the Registrant and shall be so prepared as to show clearly the relationship of each company named to the Registrant and to the other companies named. If any company is controlled by means of the direct ownership of its securities by two or more persons, so indicate by appropriate cross reference.
2. Designate by appropriate symbols (i) subsidiaries for which separate financial statements are filed; (ii) subsidiaries included in the respective consolidated financial statements; (iii) subsidiaries included in the respective group financial statements filed for unconsolidated subsidiaries; (iv) other subsidiaries, indicating briefly why statements of such subsidiaries are not filed.

Item 3. Number of Holders of Securities

State in substantially the tabular form indicated, as of a specified date within 90 days prior to the date of filing, the number of record holders, and the approximate number of beneficial holders to the best of the Registrant's knowledge, of each class of securities of the Registrant.

Title of Class	Number of Record Holders		Number of Beneficial Holders
	(1)	(2)	(3)

Item 4. Indemnification

State the general effect of any contract, arrangements or statute under which any director, officer, underwriter or affiliated person of the Registrant is insured or indemnified in any manner against any liability which may be incurred in such capacity, other than insurance provided by any director, officer, affiliated person or underwriter for their own protection.

Instruction: In responding to this Item the Registrant should take note of the requirements of Rule 460 [17 CFR 230.460] under the 1933 Act and Section 17 of the 1940 Act.

Item 5. Business and Other Connections of Investment Adviser

Describe any other business, profession, vocation or employment of a substantial nature in which each investment adviser of the Registrant, and each director, officer or partner of any such

- (9) copies of all other material contracts not made in the ordinary course of business which are to be performed in whole or in part at or after the date of filing the Registration Statement;
- (10) an opinion and consent of counsel as to the legality of the securities being registered, indicating whether they will when sold be legally issued, fully paid and non-assessable;
- (11) copies of any other opinions, appraisals or rulings, and consents to the use thereof relied on in the preparation of this Registration Statement or required by Section 7 of the 1933 Act;
- (12) all financial statements omitted from Item 17 of Part 1;
- (13) copies of all powers of attorney;
- (14) copies of any agreements or understandings made in consideration for providing the initial capital between or among the Registrant, the underwriter, adviser, promoter or initial stockholders and written assurances from promoters or initial stockholders that their purchases were made for investment purposes without any present intention of reselling or reselling.

Instruction: Subject to the Rules regarding incorporation by reference, the foregoing exhibits shall be filed as a part of the Registration Statement. Exhibits numbered 10-13 above are required to be filed only as part of a 1933 Act Registration Statement. Exhibits shall be appropriately lettered or numbered for convenient reference. Exhibits incorporated by reference may bear the designation given in a previous filing. Where exhibits are incorporated by reference, the reference shall be made in the list of exhibits required above.

Item 2. Persons Controlled by or under Common Control with Registrant

Purnish a list or diagram of all persons directly or indirectly controlled by or under common control with the Registrant and as to each person indicate (1) if a company, the state or other sovereign power under the laws of which it was organized, and (2) the percentage of voting securities owned or other basis of control by the person, if any, immediately controlling it.

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(a) an undertaking to file an amendment to the Registration Statement with certified financial statements showing the initial capital received before accepting subscriptions from any persons in excess of 25 if Registrant proposes to raise its initial capital pursuant to Section 14(a)(3) of the Investment Company Act;

(b) an undertaking to file an amendment to the Registration Statement, using financials which need not be certified, no later than six months from the effective date of Registrant's 1933 Act Registration Statement.

Instructions:

1. Such amendment may be filed earlier only if at least one-half the dollar amount of securities registered has been raised from public offering and has been substantially invested pursuant to Registrant's investment objectives.

2. The financial statements in such amendment should be as close as possible to the date of the amendment but in any case should be no older than 90 days.

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Investment adviser, is or has been at any time during the past two fiscal years, engaged in for his own account or in the capacity of director, officer, employee, partner or trustee.

Instructions:

1. State the name and principal business of any company with which any person specified above is connected in the capacity of director, officer, employee, partner or trustee, and the nature of such connection.

2. The names of investment advisory clients need not be given in answering this item.

Item 6. Principal Underwriters

(a) Furnish the name of each investment company (other than the Registrant) for which each principal underwriter currently distributing securities of the Registrant also acts as a principal underwriter, depositor or investment adviser.

(b) Furnish the information required by the following table with respect to each director, officer or partner of each principal underwriter named in the answer to Item 17(c) of Part I:

	(1)	(2)	(3)
Name and Principal Business Address	Positions and Offices with Underwriter	Positions and Offices with Registrant	

Item 7. Location of Accounts and Records

With respect to each account, book or other document required to be maintained by Section 31(a) of the 1940 Act and the Rules [17 CFR 270.31a-1 to 31a-3] promulgated thereunder, furnish the name and address of each person maintaining physical possession of each such account, book or other document.

Item 8. Undertakings

Furnish the following undertakings in substantially the following form in all initial Registration Statements filed under the 1933 Act:

INSTRUCTIONS AS TO SUMMARY PROSPECTUSES

The summary prospectus to be used pursuant to Rule 434A (17 CFR 230.434A) for companies whose securities are registered on Form N-1 shall be available only if (1) the Registration Statement is in effect, (2) the response to Items 4(b) and 4(c) of Part I is "Not Applicable," and (3) if at such time Registrant intends to meet the requirements of Subchapter N, Sections 851-855 of the Internal Revenue Code during the current taxable year. No sales literature may be used unless preceded or accompanied by the full statutory prospectus. The summary prospectus shall at the time of its use contain such of the information specified below as is then included in the Registration Statement. All other information and documents contained in the Registration Statement may be omitted.

- (a) The information contained in Item 2 of Part I.
- (b) The information called for by Item 3 of Part I shall be set forth not further back in the summary prospectus than the third page thereof and shall not be preceded by any other chart or table.
- (c) The information in Item 5(b) must be contained herein if it is in the affirmative. In addition, the information in Item 5(d) should be included if the portfolio turnover for the past three years has averaged over 75%.
- (d) The summary prospectus must contain the legends required by Rules 425 and 434A(e) under the Securities Act of 1933, and the following legend should all be placed on the cover page:
ALL INTERESTED PERSONS SHOULD SEND FOR AND EXAMINE THE FULL PROSPECTUS BEFORE PURCHASING SHARES OF THE FUND.

Instructions:

1. If Registrant chooses to present the information required by Item 17 of Part I, it must be set forth in complete and uncondensed form, except insofar as Item 3 of Part I constitutes such a condensation.
2. The Commission may, upon the request of the Registrant, and where consistent with the protection of investors, permit the omission of any of the information herein required or the furnishing in substitution therefor appropriate information of comparable character. The Commission may also require the inclusion of other information in addition to, or in substitution for, the information herein required in any case where such information is necessary or appropriate for the protection of investors.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 (and, (or), the Investment Company Act of 1940, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of _____, and State of _____, on the _____ day of _____, 19____.

(Registrant)

By _____
(Signature and Title)

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

(Signature) _____
(Title) _____
(Date)

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM N-2

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Pre-Effective Amendment No. ☐Post-Effective Amendment No. ☐

and/or

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940 ☐Amendment No. ☐

(Check appropriate box or boxes.)

(Exact Name of Registrant as Specified in Charter)

(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, including Area Code

(Name and Address of Agent for Service)

Approximate Date of Proposed Public Offering

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

Title of Securities Being Registered	Amount Being Registered	Proposed			Amount of Registration Fee
		Maximum	Offering Price	Offering Price	

If the Registration Statement or an amendment thereto is being filed under only one of the Acts, reference to the other Act should be omitted from the facing sheet. The "Approximate Date of Proposed Public Offering" and the table showing the calculation of the registration fee under the Securities Act of 1933 should be included only where shares are being registered under the Securities Act of 1933.

(1)

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E. Incorporation by Reference

Attention is directed to Rule 24 of the Commission's Rules of Practice [17CFR 201.24]. The rules under both the 1933 Act and the 1940 Act are subject to the limitations of Rule 24. Since the provisions of Rule 24 may be amended from time to time, Registrants are advised to review the Rule as in effect at the time the Registration Statement is filed prior to incorporating by reference any document as an exhibit to such Registration Statement.

F. Documents Comprising Registration Statement or Amendment

1. A Registration Statement or an amendment thereto filed under both the 1933 and 1940 Acts shall consist of the facing sheet of the Form, Part I, Part II, required signatures, and all other documents which are required or which the Registrant may file as a part of the Registration Statement.

2. Except for an amendment to a 1933 Act Registration Statement filed pursuant to the provisions of Section 24(e) of the 1940 Act, a Registration Statement or an amendment thereto which is filed under only the 1933 Act shall contain all the information and documents specified in paragraph 1 of this Instruction F.

3. An amendment to a 1933 Act Registration Statement filed pursuant to the provisions of Section 24(e) of the 1940 Act to register additional securities shall consist of the facing sheet of the Form, required signatures, and an opinion and consent of counsel as to the legality of the securities being registered.

4. A Registration Statement or an amendment thereto which is filed under only the 1940 Act shall consist of the facing sheet of the Form, responses to all items of Part I except Items 1, 2, 3, 4 and 5 thereof, responses to all items of Part II except Item 9, required signatures, and all other documents which are required or which the Registrant may file as part of the Registration Statement.

G. Preparation of the Registration Statement or Amendment

1. Instructions for Part I ("Prospectus") where Form N-2 is filed under both the 1933 and 1940 Acts or only under the 1933 Act:

(11)

GENERAL INSTRUCTIONS

A. Rule as to Use of Form N-2

Form N-2 shall be used by closed-end management investment companies for filing (1) an initial Registration Statement required by Section 8(b) of the Investment Company Act of 1940 ("1940 Act"), (2) an annual amendment to a 1940 Act Registration Statement required by Rule 8b-16 [17 CFR 270.8b-16] under the 1940 Act, (3) a Registration Statement required under the Securities Act of 1933 ("1933 Act") and any amendments thereto, or (4) any combination of the above 1940 Act and 1933 Act filings.

B. Registration Fees

Section 6(b) of the 1933 Act and Rule 457 [17 CFR 230.457] thereunder set forth the fee requirements under the 1933 Act. Rule 8b-6 [17 CFR 270.8b-6] under the 1940 Act sets forth the fee requirements for filing an initial Registration Statement under that Act. The 1940 Act fee is in addition to the fee required to be paid under the 1933 Act.

C. Application of General Rules and Regulations

If the Registration Statement is being filed under both Acts or under only the 1933 Act, the General Rules and Regulations under the 1933 Act, particularly those comprising Regulation C [17 CFR 230.400-494], shall apply, and compliance therewith will be deemed compliance with the corresponding Rules pertaining to Registration Statements under the 1940 Act. However, if the Registration Statement is being filed under only the 1940 Act, the General Rules and Regulations under that Act, particularly those comprising Regulation 8B [17 CFR 270.8b-1 to 8b-32], shall apply, except as noted in General Instruction D below.

D. Amendments

1. Attention is specifically directed to Rule 8b-16 [17 CFR 270.8b-16] under the 1940 Act which requires annual amendments of Registration Statements filed pursuant to Section 8(b) of the 1940 Act. Where Form N-2 has been used to file a Registration Statement under both the 1933 and 1940 Acts, any amendments of that Registration Statement shall be deemed to be filed under both Acts unless otherwise indicated on the facing sheet. Irrespective of the purpose for which an amendment is filed, the number of copies of amendments specified in Rule 472 [17 CFR 230.472] under the 1933 Act shall be filed with the Commission.

(iv)

a. The purpose of the prospectus is to inform investors. Hence, the information set forth in the prospectus must be presented in a clear, concise, understandable fashion. The prospectus should contain the information called for by Part I of the Form, except that no reference need be made to inapplicable items. Except for items 1, 2 and 3 of Part I, the information required by the items need not be set forth in the prospectus in the same order in which the items appear in this Form.

b. Where it is necessary or desirable to call attention to information duplicated elsewhere in the prospectus, appropriate cross-references should be used.

c. The cross-reference sheet required by Rule 404(c) [17 CFR 230.404(c)] under the 1933 Act shall show the location in the prospectus of the information called for by the items in Part I.

d. Item 3, "Condensed Financial Information," should not be further back in the prospectus than the fifth page thereof and should not be preceded by any other chart or table. In addition, the information required by Item 7 must be presented immediately following the information required by Item 3.

2. Instructions for Part I where Form N-2 is filed only under Section 8(b) of the 1940 Act:

a. Registrant need not complete items 1, 2, or 3;

b. The numbers and captions of the items contained in Part I shall precede each response. Unless otherwise indicated, inapplicable items may not be omitted.

3. Instructions for Part II for all Registrants:

a. If the filing is only under the 1940 Act, Item 9 need not be completed.

b. The numbers and captions of the items contained in Part II should precede each response. Unless otherwise indicated, inapplicable items may not be omitted.

4. Instructions for charts, graphs, tables and sales literature:

(v)

a. A Registration Statement on this Form may include any chart, graph or table not inconsistent with the Statement of Policy of the Commission relating to Advertising and Sales Literature Used in the Sale of Investment Company Shares [20 F.R. 793, January 31, 1955, as amended 22 F.R. 8377, November 5, 1957]; however, no chart, graph or table should precede the condensed financial information specified in Item 3.

b. The prospectus should not be presented in fold-out or road-map type fashion. The use of colored print or pages is not objectionable so long as it does not detract from the prospectus presentation. Pictures of management may be used. Type size requirements, which are the minimum acceptable standard, are specified in Rule 420 [17 CFR 230.420] under the Securities Act.

c. If "sales literature" is included in the prospectus, issuers should be aware of the following: (1) sales literature should not be of such quantity as to overly lengthen the prospectus, and it should not be so placed as to obscure essential disclosure; (2) sales literature included in prospectuses is subject to and must comply with the Commission's Statement of Policy referred to in paragraph e. of this Instruction; and (3) members of the National Association of Securities Dealers are not relieved of the filing and other requirements of the NSD with respect to investment company sales literature. (See Securities Act of 1933 Release No. 5359 dated March 19, 1973) [38 F.R. 7220].

Part 1. INFORMATION REQUIRED IN PROSPECTUS OR REGISTRATION STATEMENT

Item 1. Cover Page (Prospectus only)

Every prospectus of a closed-end management investment company utilized to offer securities to the public shall include an outside front cover page containing only the following items of information:

- (a) the name, address and telephone number of the Registrant;
- (b) the date of the prospectus;
- (c) the statement required by Rule 425 [17 CFR 230.425] under the 1933 Act;
- (d) a statement advising investors to read and retain the prospectus for future reference;
- (e) cross-reference to the narrative part of the prospectus which describes (a) commissions paid by persons other than the Registrant, and other considerations to the underwriters, (b) finder's fees or similar payments made and (c) if any of the securities being registered are to be offered for the account of security holders, the name of each holder, the amount held by him and the amount offered for his account;

(f) at the discretion of the Registrant such legend, logotype, pictures, or other attention-getting devices not prohibited for use by investment companies in the Statement of Policy of the Commission Relating to Advertising and Sales Literature Used in the Sale of Investment Company Securities [20 F.R. 793, January 31, 1955, as amended 22 F.R. 8977, November 5, 1957];

(g) the information called for by the following table in substantially the tabular form indicated as to all securities being registered which are to be offered for cash (estimate, if necessary):

Per Unit	Price to Public	Underwriting Discounts and Commissions	Proceeds to Registrant or Other Persons
	_____	_____	_____
Total	_____	_____	_____

(h) the name and address of each principal underwriter of the Registrant;

(i) such other items of information as required by this Item and any Rule or Regulation of the Commission or of any other governmental authority having jurisdiction over the Registrant or the issuance of its securities. Attention is directed to the provisions of Rules 425a [17 CFR 230.425a] and 426 [17 CFR 230.426] of the General Rules and Regulations under the 1933 Act regarding statements that may have to be set forth on the front or back cover page of the prospectus.

Instructions:

1. If it is impracticable to state the price to the public, the method by which it is to be determined shall be explained. In addition, if the securities are to be offered at the market, or if the offering price is to be determined by a formula related to market prices, indicate the market involved and the market price as of the latest practicable date.

2. The term "commissions" has the meaning given in paragraph (17) of Schedule A of the 1933 Act. Only commissions paid in cash by the Registrant or the selling security holders are to be included in the table. In addition any use of the proceeds for sales and distribution expenses must be disclosed in a footnote to the table specified in (f) above.

Item 2. Synopsis (Prospectus only)

Immediately following the cover page and the table of contents required by Rule 421 [17 CFR 230.421] under the 1933 Act, set forth under an appropriate caption (and sub-captions if appropriate) in a carefully organized series of concise paragraphs a synopsis or summary of the contents of the prospectus highlighting the salient features of the offering and the Registrant with appropriate cross-references to detailed disclosures elsewhere in the prospectus. Such synopsis must precede any data furnished in response to Item 3 hereof. The synopsis must include:

- (a) the class of capital stock or other securities being offered for sale;
- (b) the names of each investment adviser and principal underwriter of the Registrant;

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- (c) the extent of and market place for Registrant's securities; if none, so state;
- (d) the minimum initial and subsequent investment required, if any;
- (e) a brief description of the Registrant's investment objectives;
- (f) a statement as to whether Registrant proposes to operate as a closed-end diversified or a closed-end non-diversified investment company; if non-diversified, cross-reference to the textual discussion which describes any risks involved;
- (g) the nature of the business of the adviser and its experience in providing advice to investment companies; and the contractual rate and payment schedule of the investment advisory fee;
- (h) the principal risk or speculative factors; these factors may be due to such matters as an absence of an operating history of the Registrant or the nature of the business in which Registrant engages or proposes to engage;
- (i) any other material or unusual feature that Registrant wants to highlight (for example, important affirmative investment policies or potential conflicts between the Registrant and other entities).

Item 3. Condensed Financial Information

- (a) Furnish within the first five pages of the Registration Statement the following information for the Registrant, or for the Registrant and its subsidiaries consolidated as prescribed in Rule 6-02 [11 CFR 210.6-02] of Regulation S-X:

PER SHARE INCOME AND CAPITAL CHANGES
(for a share outstanding throughout the year)

- 1. investment income;
- 2. expenses;
- 3. net investment income;

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- 4. dividends from net investment income;
 - 5. net realized and unrealized profits (losses) on securities;
 - 6. distributions from net realized profits on securities;
 - 7. net increase (decrease) in net asset value;
 - 8. net asset value at beginning of period;
 - 9. net asset value at end of period;
- RATIOS
- 10. expenses to average net assets;
 - 11. net investment income to average net assets;
 - 12. portfolio turnover rate;
 - 13. number of shares outstanding at end of period.

Instructions:

- 1. The information shall be presented in comparative columnar form for each of the last ten fiscal years of the Registrant (or for the life of the Registrant and its immediate predecessors, if less) but only for periods subsequent to the effective date of Registrant's first 1933 Act Registration Statement. In addition, the information shall be presented for the period between the end of the latest fiscal year and the date of the latest balance sheet or statement of assets and liabilities furnished.
- 2. Per share amounts shall be given at least to the nearest cent. If the computation of the offering price is extended to tenths of a cent or more, then the amounts on the table shall be given in tenths of a cent.
- 3. Appropriate adjustments shall be made and indicated in a footnote to reflect any stock split-up or stock dividend during the period.
- 4. If the investment adviser has been changed during the period covered by this item, the date(s) of such change(s) should be shown in a footnote.

11. The "average net assets," as used in captions 10 and 11 shall be computed upon the basis of the value of the net assets determined no less frequently than as of the end of each month, except that the average value of securities for which market quotations are not available may be based upon the value of such securities as of the end of the preceding quarter.
12. The portfolio turnover rate to be shown at caption 12 shall be calculated in accordance with the following instructions:
 - a. The rate of portfolio turnover shall be calculated by dividing (A) the lesser of purchases or sales of portfolio securities for the particular fiscal year by (B) the monthly average of the value of the portfolio securities owned by the Registrant during the particular fiscal year. Such monthly average shall be calculated by totaling the values of the portfolio securities as of the beginning and end of the first month of the particular fiscal year and as of the end of each of the succeeding eleven months, and dividing the sum by 13, except that the average value of securities for which market quotations are not available may be based upon the value of such securities as of the end of the preceding fiscal quarter.
 - b. For the purposes of this Item, there shall be excluded from both the numerator and the denominator all U.S. Government securities (short-term and long-term) and all other securities whose maturities at the time of acquisition were one year or less. Purchases shall include any cash paid upon the conversion of one portfolio security into another. Purchases shall also include the cost of rights or warrants purchased. Sales shall include the net proceeds of the sale of rights or warrants. Sales shall also include the net proceeds of redemptions of portfolio securities by call or maturity.
 - c. If during the fiscal year the Registrant acquired the assets of another investment company or of a personal holding company in exchange for its own shares, it shall exclude from purchases the value of securities so acquired, and from sales all sales of such securities made following a purchase-of-assets transaction to realign the Registrant's portfolio. In

5. The condensed financial information shall be audited.
6. The amount to be shown at caption 3 is derived by adding (deducting) the increase (decrease) per share in undistributed net income for the year to dividends from net investment income per share for the year (caption 4). Such increase (decrease) may be derived from a comparison of the per-share figures obtained by dividing the undistributed net income at the beginning and end of the year by the number of shares outstanding on those respective dates. (Any other acceptable method should be explained in a footnote to this table.) The amounts to be shown at captions 1 and 2 are derived by applying to the net investment income on a per-share basis the ratio of such items, as shown in the financial statements prepared under Rule 6-04 [17 CFR 210.6-04] of Regulation S-X, to the net income as shown in such statements.
7. "Expenses," as used in caption 2 above, include the expenses described in captions 2 and 3 of Rule 6-04 [17 CFR 210.6-04] of Regulation S-X. If there were income deductions such as those described in captions 4 and 6 of that Rule, compute the per-share amounts thereof and state them separately immediately after caption 2 above.
8. The amount to be shown at caption 5, while mathematically determinable by the summation of amounts computed for as many periods during the year as shares were sold or repurchased (which could be as often as twice daily) is also the balancing figure derived from the other figures in the statement and should be so computed. The amount shown at this caption for a share outstanding throughout the year may not accord with the change in the aggregate gains and losses in the portfolio securities for the year because of the timing of sales and repurchase of Registrant's shares in relation to fluctuating market values for the portfolio.
9. Distributions not exceeding the capital gains computed on the Federal tax basis may be treated as distributions from net realized profits on securities for purposes of the above table, even though they exceed such profits on a book basis.
10. If any distributions were made from capital sources other than net realized profits on securities, state the per share amounts thereof separately immediately below caption 6. In a footnote indicate the nature of such distributions.

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(a) For each principal underwriter distributing Registrant's securities state:

- (1) name and principal business address;
- (2) nature of any material relationship with the Registrant (other than that of principal underwriter);
- (3) amount of securities underwritten;
- (4) nature of the obligation to distribute Registrant's securities.

Instructions: All that is required as to the nature of the underwriters' obligation is whether the underwriters are or will be committed to take and to pay for all the securities if any are taken, or whether it is merely an agency or "best efforts" arrangement under which the underwriters are required to take and pay for only such securities as they may sell to the public. Conditions precedent to the underwriters' taking the securities, including "market outs," need not be described except in the case of an agency or "best efforts" arrangement.

(b) State the price to the public.

Instructions:

1. If it is impracticable to state the price to the public, the method by which it is to be determined shall be explained. This explanation should include a brief description of the valuation procedure utilized by the Registrant in determining such prices. In addition, if the securities are to be offered at the market price, or if the offering price is to be determined by a formula related to market prices, indicate the market involved and the market price as of the latest practicable date.

2. For restrictions on distributions and repurchase of securities by closed-end companies refer to Section 23 of the 1940 Act and Release No. 3187 thereunder [26 F.R. 1275].

3. Explain fully any difference in the price at which securities are offered to the public, as individuals and as groups, and to officers, directors and employees of the Registrant, its adviser or underwriter.

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such event, the Registrant shall also make appropriate adjustment in the denominator of the portfolio turnover computation. The Registrant shall make appropriate disclosure of such exclusions and adjustments in its answer to this item.

d. The Registrant may make any statement or explanation with respect to any significant variations in the portfolio turnover rates during the three fiscal years.

13. The number of shares outstanding at the end of each period may be shown to the nearest thousand (000 omitted), provided it is indicated that such has been done.

(b) Furnish the following information as of the end of each of the Registrant's last ten fiscal years with respect to each class of senior securities (including bank loans) of the Registrant. If consolidated statements were prepared as of any of the dates specified, the information shall be furnished on a consolidated basis:

(1)	(2)	(3)	(4)	(5)
Total Amount Outstanding, Asset Exclusive of Treasury per Share or per Unit (Exclude Year Securities)			Involuntary Liquidating Preference Share or Other Senior Stock Bank Loans	Approximate Liquidating Market Value per Share or Unit

Instructions:

1. Instruction 2 to paragraph (a) shall also apply to this paragraph.

2. In lieu of the method described in Section 19(h) of the Act, asset coverage called for in column (3) shall be expressed in terms of dollar amounts per unit of each class of senior securities. If the Registrant has outstanding more than one class of securities, indicate the method used in computing the asset coverage.

Item 4. Plan of Distribution

With respect to the securities of Registrant being registered for public distribution, furnish the following information:

Item 5. Use of Proceeds

State the principal purposes for which the net proceeds to the Registrant from the securities to be offered are intended to be used and the approximate amount intended to be used for each such purpose.

Instructions:

1. If any substantial portion of the proceeds has not been allocated in accordance with the investment objectives and policies, a statement to that effect shall be made together with a statement of the amount of proceeds not allocated.
2. If any material part of the proceeds is to be used to discharge a loan, the item is to be answered as to the use of the proceeds of the loan if the loan was made within one year from the date this Form was filed; otherwise, it will suffice to state that the proceeds are to be used to discharge the indebtedness created by the loan.
3. If any material amount of the proceeds is to be used to acquire assets otherwise than in the ordinary course of business, briefly describe the assets and give the names of the persons from whom they are to be acquired. State the cost of the assets to the Registrant and the principle followed in determining such cost.

Item 6. General Information and History

- (a) State the date and form of organization (e.g., a corporation, unincorporated association, common law trust, etc.) of the Registrant and the name of the state or other sovereign power under the laws of which it was organized.
- (b) If the Registrant has engaged in any business other than that of an investment company during the past five years, state the nature of such other business and give the approximate date on which the Registrant originally commenced business as an investment company. If the Registrant's name was changed during the period, state its former name and the approximate date on which it was changed. Indicate briefly the nature and results of any bankruptcy, receivership or similar proceedings or any other material reorganization, readjustment or succession during the period.

- (c) Describe the discounts and commissions to be allowed or paid to underwriters or dealers, including all cash, securities, contracts or other consideration to be received by underwriter or dealer in connection with the sale of the securities.

Instructions:

1. The term "commissions" has the meaning given in paragraph (17) of Schedule A of the 1933 Act.
2. The required description shall include disclosures of all commissions paid by other persons, other considerations paid to underwriters or dealers and any finder's fees or similar payments made.
3. If any dealers are to act in the capacity of underwriters and are to be allowed or paid any additional discounts or commissions for acting in such capacity, give the additional amounts to be so paid.
- (d) Describe briefly the plan of distribution of any securities which are to be offered otherwise than through an underwriter.
- (e) If any securities are to be offered for the account of security holders, state the name of each holder, the amount held by him and the amounts offered for his account.
- (f) If any of the securities being registered are to be offered otherwise than for cash, state briefly the general purposes of the distribution, the basis upon which the securities are to be offered, the amount of compensation and other expenses of distribution, and by whom such expenses are to be borne.

Instruction: If the distribution is to be made pursuant to a plan of acquisition, reorganization, readjustment or succession, describe briefly the general effect of the plan and state when it became or is to become operative. As to any material amount of assets to be acquired under the plan, furnish information corresponding to that required by Instructions 3 to 6.

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Instruction: In responding to this item, the Registrant should describe the types of securities in which it intends to invest and the types of securities which will constitute the major portfolio of assets (for example, bonds, common stock, preferred stock and short-term obligations of governments, banks and corporations). In addition, if the Registrant intends to invest in something other than securities, this should be described. The investment objective(s) should not be inconsistent with the Registrant's name.

- (b) **Recital of Fundamental Policies:** Describe the policy or the proposed policy of the Registrant with respect to each of the following activities ("fundamental policies") and outline the extent, if any, to which the Registrant has engaged in such activities during the period covered by the financial statements filed herewith.

Instruction: For the purposes of this item, the term "fundamental policy" is defined as any policy which the Registrant has deemed to be fundamental or any policy which may not be changed without the approval of a majority of the Registrant's outstanding voting securities.

- (1) **The issuance of senior securities:** Include in this response any fundamental policy with respect to short sales, purchases on margin and the writing of put and call options.
- (2) **The borrowing of money:** Describe the fundamental policy which limits or restricts the extent to which the Registrant may borrow money and give the purpose for which the proceeds will be used.
- (3) **The underwriting of securities of other issuers:** Include any fundamental policy with respect to the acquisition of restricted securities (securities that must be registered under the Securities Act of 1933 before they may be offered or sold to the public).
- (4) **The concentration of investments in a particular industry or group of industries:** For the purposes of this item concentration is deemed to mean 25 percent or more of the value of the Registrant's assets invested in or proposed to be invested in a particular industry or group of industries. The Registrant's name should not be inconsistent with the fundamental policy recited in response to this item.

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- (c) If during the past three years any affiliated person of the Registrant had any material interest, direct or indirect, in any transaction involving the purchase of any material amount of assets presently held by the Registrant or any of its subsidiaries, other than in the ordinary course of business, describe the interest of the affiliated person in such transaction and state the cost of such assets to the purchaser and to the seller.

Instruction: No information need be given under paragraph (c) as to the interest of any affiliated person in any transaction exempted from Section 17 of the 1940 Act.

- (d) State the history of public trading of the Registrant's securities in tabular form, by quarters for the last three fiscal years, showing the per share net asset value, and the per share market prices and the volume of trading. The net asset value and market price as of a recent date should also be stated.

Instructions:

1. If the Registrant's securities are publicly held, disclose whether the Registrant's securities have historically traded on the market for an amount equal to or exceeding net asset value, or less than net asset value.
2. If the Registrant's securities have no history of public trading, disclose that closed-end investment companies' securities frequently trade for amounts less than net asset value.
3. State whether the Registrant's securities are listed on a stock exchange.

Item 7. Investment Objectives and Policies

- (a) **Recital of the Investment Objectives:** Describe clearly the investment objective(s) of the Registrant and state whether such objective(s) may be changed without the vote of the holders of a majority of the Registrant's outstanding voting securities.

- (5) Purchase or sale of real estate and real estate mortgage loans: No information need be given in response to this item as to securities of companies whose investments in real estate are incidental to their primary line of business (i.e., banks).
- (6) Purchase or sale of commodities or commodity contracts: Describe the fundamental policy with respect to the power of the Registrant to engage in the purchase or sale of commodities and commodity contracts, including futures contracts in a contract market or other futures market.
- (7) The making of loans: For the purpose of this item the term "loans" shall not include the purchase of a portion of an issue of publicly distributed bonds, debentures or other securities, whether or not the purchase was made upon the original issuance of the securities. However, the term "loan" includes the fundamental policy which permits the lending of cash or portfolio securities to any person and any agreement with another person which involves the acquisition of securities or other property by the Registrant with a concurrent agreement with such person to reacquire the securities or other property.
- (8) Any policy not recited above in respect of matters which the Registrant deems matters of fundamental policy.

Instruction: The Registrant may reserve freedom of action with respect to any of the foregoing activities but in such cases shall express definitively, in terms of a reasonable percentage of assets to be devoted to the particular activity, or otherwise, the maximum extent to which the Registrant intends to engage therein. See Release No. 167 [11 F.R. 10993] under the 1940 Act. For the purposes of (6) above, attention is directed to the Commodity Futures Trading Commission Act of 1974 (P.L. 93-463, October 23, 1974).

- (c) Recital of Investment Policies: Describe clearly the supporting investment policies, activities and techniques which are not deemed fundamental and which may be changed without shareholder approval (for example, investing for control of management or arbitrage activities).

Instructions:

1. In responding to this Item the Registrant should disclose the extent to which it will engage in and the risks inherent in each investment policy, technique and activity.

2. State which policies, activities and techniques were not utilized by the Registrant during the period covered by the financial statements filed herewith.

- (d) Portfolio Turnover: State the Registrant's policy with respect to portfolio turnover.

Instruction: In responding to this Item the Registrant should set forth an estimate of the annual rate of portfolio turnover for the current fiscal year, given the investment objectives, policies, techniques and activities described in response to this Item 7.

Item 8. Tax Status

- (a) State the Registrant's current tax status under the Internal Revenue Code [26 CFR 6-699] and indicate whether Registrant anticipates any change in such status.

Instruction: The response should summarize Registrant's tax status at the time of filing as well as its intention with respect to qualification as a regulated investment company under the Internal Revenue Code [26 CFR 6-699].

- (b) Describe the tax treatment accorded income dividends and capital gains distributions to both the Registrant and a shareholder of the Registrant.

- (c) If not disclosed above, describe any special or unusual tax aspects of Registrant, such as taxation resulting from foreign investment or from status as a personal holding company, or any tax loss carry-forward to which Registrant may be entitled.

Item 9. Brokerage Allocation

- (a) If available, state for the period covered by the financial statements filed herewith:

- (1) The aggregate dollar amount of purchases and sales of the Registrant's portfolio securities, other than Government securities.

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(2) The aggregate dollar amount of brokerage commissions paid by the Registrant.

(3) The aggregate dollar amount, if any, of brokerage commissions paid by the Registrant to any affiliated person of the Registrant and the identity of each such affiliated person and all capacities in which such person is affiliated with the Registrant.

Instructions:

1. If an affiliated person of the Registrant either alone or together with others is a controlling person of such a broker/dealer, Registrant must disclose such fact but need not supply the specific amount or percentage of the outstanding voting securities of that broker/dealer which is owned by such a controlling person. With respect to any person named in response to this item, Registrant must disclose all of the capacities in which such person is affiliated with that broker/dealer.

2. See Instruction 1 to Item 10(a) of Part I for a definition of "control."

(b) State whether the Registrant or its investment adviser places orders for the purchase and sale of Registrant's portfolio securities.

(c) State the factors considered by the Registrant or its investment adviser in allocating brokerage to affiliated and non-affiliated brokers, and a brief description of the importance given such factors in negotiating brokerage commissions.

(d) If during the fiscal year dealers who sold shares of the Registrant, or broker-dealers who furnished services or benefits in the form of payment of expenses or otherwise to the Registrant or to its investment adviser or to dealers who sold shares of the Registrant, participated in commissions or other compensation paid in connection with purchases and sales of portfolio securities for the Registrant, either directly in payment for executing purchase and sale orders, or indirectly by participating in the commissions paid to the brokers who executed purchase and sale orders, furnish the following information:

1. Describe specifically and fully the practice followed with respect to the degree of participation of such brokers or dealers in commissions or other compensation and the basis or bases upon which such participation was allocated, including the nature of the services or benefits made available to the

Registrant, its investment adviser, or dealers who sold shares of the Registrant. Include also a clear statement of the practice followed with respect to the allocation of commissions or other compensation paid on portfolio transactions effected in the over-the-counter market.

(2) State the names of and positions held, in the Registrant, investment adviser, underwriter, or otherwise, by the person or persons who made the determination as to the participations in commissions or other compensation as referred to in subparagraph (1) above.

Instructions:

1. Where participations in commissions or other compensation involved, in whole or in part, the application of a general or a specific formula or other determinant, as, for example, the relative sales of the Registrant's shares, the answer should describe in detail such formula or other determinant.

2. Describe any practice of according participations in commissions or other compensation to brokers or dealers on a combined basis in respect of portfolio transactions of the Registrant and other investment companies which have the same investment adviser or principal underwriter.

Item 10. Pending Legal Proceedings

With respect to any proceeding instituted by a government, or litigation in which either the Registrant, a principal underwriter or affiliated person of the Registrant, or an affiliated person of such affiliated person or such principal underwriter is a party defendant or respondent, set forth the information required below if the litigation or proceeding would (1) have a material adverse effect upon the Registrant or its assets, (2) be materially beneficial to the Registrant, and its board of directors believes that the benefit can be reasonably estimated and that there is a reasonable likelihood of recovery, (3) have a material adverse effect upon the Registrant's investment adviser's or underwriter's ability to perform its contract with the Registrant or (4) if a governmental proceeding, it is under the Investment Company Act of 1940, the Securities Exchange Act of 1934 or the Securities Act of 1933:

of more than 25 percent of the voting securities of a company; (iii) the acknowledgment or assertion by the Registrant of the existence of control; or (iii) an adjudication under Section 2(a)(9) of the 1940 Act, which has become final, that control exists.

- (b) State the name, address and percentage of ownership of each person who owns or is known by the Registrant to own or record or beneficially 5 percent or more of any class of the Registrant's outstanding equity securities.

Instructions:

1. The percentages are to be calculated on the basis of the amount of securities outstanding.

2. If securities are being registered in connection with, or pursuant to a plan of acquisition, reorganization, readjustment or succession, indicate, as far as practicable, the status to exist upon consummation of the plan on the basis of present holdings and commitments.

3. If to the knowledge of the Registrant or any principal underwriter of its securities, 5 percent or more of any class of voting securities of the Registrant are or will be held subject to any voting trust or other similar agreement, this fact should be disclosed.

4. Indicate whether the securities are owned both of record and beneficially, or record only, or beneficially only, and show the respective percentages owned in each manner.

- (c) Show all equity securities of the Registrant owned by all officers, directors and members of the advisory board of the Registrant as a group, without naming them. In any case where the amount owned by directors and officers as a group is less than 1 percent of the class, a statement to that effect will suffice.

Item 12. Directors, Executive Officers and Advisory Board Members

Furnish the information required by the following tables as to each director and executive officer of the Registrant, and if

- (a) the title of the litigation or governmental proceeding;

- (b) the name of the court in which the litigation is pending;

- (c) the date on which the litigation or governmental proceeding was instituted;

- (d) the principal parties to the litigation or governmental proceeding;

- (e) concisely and as precisely as practicable the nature and likelihood of the material effect on the Registrant.

Instruction: No information need be given with respect to any litigation against the Registrant which involves a claim for damages if the amount involved, exclusive of interest and costs, does not in the opinion of counsel exceed 5 percent of the net asset value of the Registrant. However, if any proceeding presents substantially the same issues as other proceedings pending or known to be contemplated, the amount involved in such other proceedings shall be included in computing such percentage.

Item 11. Control Persons and Principal Holders of Securities

Furnish the following information as of a specified date no more than 90 days prior to the date of filing the Registration Statement or an amendment thereto.

- (a) State the name and address of each person who controls the Registrant and state the effect of such control on the voting rights of other security holders. As to each such control person state the percentage of the Registrant's voting securities owned or other basis of control. If such control person is a company, give the state or other sovereign power under the laws of which it was organized and list all parents of such control person showing the basis of control and as to each parent the percentage of voting securities owned or other basis of control by its immediate parent.

Instruction: For the purpose of this Item, "control" shall mean (i) the beneficial ownership, either directly or through one or more controlled companies,

Registrant has an advisory board as to each member of such board. Also state the nature of any family relationship between persons listed.

(1)	(2)	(3)	(4)
Name and Business Address	Positions and Offices with Registrant	Principal Occupations during Past 5 Years	Positions and Offices Held with Other Affiliated Persons or Principal Underwriters

Instructions:

1. For the purposes of this item, the term "executive officer" means the president, vice-president, secretary and treasurer, and any other officers who perform policy-making functions for the Registrant. The term "family relationship" means any relationship, by blood, marriage or adoption, not more remote than first cousin.

2. Show also under column (3) the principal business of any corporation or other organization in which each principal occupation is carried on.

3. List under column (4) the name of each affiliated person of the Registrant, other than members of the advisory board, with which any officers, director or member of the advisory board is connected in any capacity and show all positions and offices held with each person.

Item 13. Reorganization of Directors and Others

Furnish the information required by the following table as to each of the persons specified below who received from the Registrant and its subsidiaries during the Registrant's last fiscal year aggregate remuneration in excess of \$40,000 for services in all capacities:

- (a) each director, officers, and advisory board member of the Registrant;
- (b) each affiliated person of the Registrant except investment advisers;
- (c) each principal underwriter;
- (d) each affiliated person of an affiliate or of a principal underwriter of the Registrant;

(e) Each director, officer and member of the advisory board of the Registrant as a group, without naming them.

(1)	(2)	(3)	(4)	(5)
Name of Person	Capacities in which	Remuneration Aggregate Received	Amounts Accrued Last Fiscal Year	Estimated Annual Benefits upon Retirement

Instructions:

1. This item applies to any person who was a director, officer or member of the advisory board of the Registrant at any time during the last fiscal year. The information is to be given on an actuarial basis if practicable.

2. If the Registrant has not completed its first full fiscal year since its organization, the information shall be given for the current fiscal year, estimating future payments if necessary.

3. Columns (4) and (5) should be answered only for those persons named in response to paragraph (a) of this item and should include all pension or retirement benefits proposed to be paid by the Registrant under any existing plan in the event of retirement at normal retirement date, directly or indirectly, by the Registrant or any of its subsidiaries to each such person.

4. Column (4) need not be answered with respect to payments computed on an actuarial basis pursuant to any plan which provides for fixed benefits in the event of retirement at a specified age or after a specified number of years of service.

5. The information called for by column (5) may be given in a table showing the annual benefits payable upon retirement to persons in specified salary classifications.

6. In the case of any plan (other than those specified in Instruction 3) where the amount set aside each year depends upon the amount of earnings of the issuer or its subsidiaries for such year or a prior year, or where it is otherwise impracticable to state the estimated

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Instruction: If an affiliated person of the Registrant either alone or together with others is a controlling person of the investment adviser, the Registrant must disclose such fact but need not supply the specific amount or percentage of the outstanding voting securities of the investment adviser which is owned by such a controlling person. With respect to any person named in response to this Item, Registrant must disclose all of the capacities in which such person is affiliated with the investment adviser. See Instruction to Item 11(a) of Part I for a definition of "control."

- (4) the method of computing the advisory fee payable by the Registrant;

Instruction: If the advisory fee payable by the Registrant varies depending on the Registrant's investment performance in relation to some standard, such standard must be set forth along with a fee schedule in tabular form. Registrant may include examples showing the fees the adviser would earn at various levels of performance, but such examples must include calculations showing the maximum and minimum fee percentages which could be earned under the contract.

- (5) the net dollar amounts paid to the adviser by the Registrant under the investment advisory contract for the period covered by the financial statements filed herewith;

(6) a description of all services performed for or on behalf of the Registrant, which services are supplied or paid for wholly or in substantial part by the investment adviser in connection with the investment advisory contract;

- (7) a brief description of any expense limitation provision and a statement of the amounts of any reimbursements paid or reductions of advisory fee furnished by the adviser pursuant to any such provision for the period covered by the financial statements filed herewith.

Instruction: Where a Registrant is subject to more than one expense limitation provision, it need describe only the most restrictive of such provisions.

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annual benefits upon retirement, there shall be set forth, in lieu of the information called for by column (5), the aggregate amount set aside or accrued to date, unless it is impracticable to do so, in which case there shall be stated the method of computing such benefit.

Item 14. Custodian of Portfolio Securities

State the name, principal business address and, if other than a commercial bank, trust company, or depository registered with the Commission, the nature of the business of each person holding portfolio securities of the Registrant as custodian.

Instructions:

1. If Registrant's custodian arrangements authorized the use of a central depository, the response should include a description of the services to be provided by the depository.

2. If an affiliated person of the Registrant or an affiliated person of such an affiliated person acts as custodian for the Registrant's portfolio securities, the response should include a description of the services performed by any such person and the basis for remuneration.

Item 15. Investment Advisers

- (a) Furnish the following information with respect to each investment adviser:

- (1) name and principal business address;

(2) a description of its business history as an adviser, including the number of years it has been in the advisory business; the total amount of assets it manages; the types of investment portfolios it has managed; the names of all controlling persons of the investment adviser and the basis of control of the investment adviser and its controlling persons by its immediate controlling person; and, if material to such history, the business history of any organization which controls the adviser;

- (3) name and address of any affiliated person of the Registrant who is also an affiliated person of the investment adviser and the nature of such affiliation;

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- (2) a description of the circumstances involved and the nature of the advice or information furnished;
- (3) the remuneration (including participation, directly or indirectly, in commissions or other compensation paid in connection with transactions in portfolio securities of the Registrant) paid for such advice or information, and a statement as to how such remuneration was paid and by whom it was paid for the period covered by the financial statements filed herewith.

Instruction: Information need not be included in response to this item with respect to any of the following: (i) persons whose advice was furnished to the investment adviser or the Registrant solely through uniform publications distributed to subscribers thereto or (ii) persons who furnished the investment adviser or the Registrant with only statistical and other factual information, advice regarding economic factors and trends or advice as to occasional transactions in specific securities, but without generally furnishing advice to them or making recommendations to them regarding the purchase or sale of securities by the Registrant.

Item 16. Defaults and Arrears on Senior Securities

- (a) State, as to each issue of long-term debt of the Registrant which is in default on the date of filing, with respect to the payment of principal, interest or amortization: (1) nature of default; (2) date of default; and (3) amount of default.
- (b) State as to each issue of capital stock of the Registrant on which any accumulated dividend is in arrears at the date of filing: (1) title of issue; and (2) amount per share in arrears.

Item 17. Capital Stock

- (a) With respect to each class of capital stock of the Registrant, state the title of such class, and provide the following information:
- (1) Outline briefly (i) dividend rights or limitations, (ii) voting rights, (iii) liquidation rights, (iv) pre-emptive rights, (v) conversion rights, (vi)

- (b) Furnish a description of all fees, expenses and costs of the Registrant which are to be paid by persons other than the investment adviser or the Registrant, and identify such persons.

- (c) Furnish a summary of the material provisions and purposes of any other management-related, bookkeeping or similar services contracts between the Registrant and the adviser or any other persons performing such contracts, indicating the net dollar amounts paid by the Registrant pursuant to any such contract for the period covered by the financial statements filed herewith.

Instructions:

1. The term "similar services" is not intended to include services performed by any person in the capacity of custodian, transfer agent or dividend-paying agent for the Registrant; services for which payment is made at a standard rate for mailing proxies or periodic reports to the shareholders of the Registrant, or the like; or any service for which aggregate payments of less than \$500 were made during the period covered by the financial statements filed herewith.

2. In summarizing the material provisions and purposes of this type of contract state the name of the person providing the services; the direct or indirect relationship, if any, of such person with the Registrant, its investment adviser or its principal underwriter; the nature of the services provided; and the amount and basis of the compensation paid for the services for the period covered by the financial statements filed herewith.

- (d) If any person (other than a bona fide director, officer, member of an advisory board or employee of the Registrant, as such, or a person named as an investment adviser in response to Item (a) above), pursuant to any understanding, whether formal or informal, regularly furnishes advice to the Registrant or to the investment adviser of the Registrant with respect to the desirability of the Registrant's investing in, purchasing or selling securities or other property, furnish the following information:

- (1) the name of such person;

Item 18. Long-Term Debt

(a) With respect to each class of long-term debt of the Registrant, state the title of such class, and outline the following:

- (1) any provision with respect to interest, maturity, conversion, redemption, amortization, sinking fund or retirement;
- (2) any provision with respect to any lien which restricts the declaration of dividends, requires the maintenance of any ratio of assets, or requires the creation or maintenance of reserves or the maintenance of properties;
- (3) any provision which permits or restricts the issuance of additional securities, the incurring of additional debt, the release or substitution of assets securing the issue, the modification of the terms of the security, and similar provisions.
- (b) Name the trustee and specify the nature of any material relationship with the Registrant or any of its affiliates, the percentage of securities of the class necessary to require the trustee to take action, and what indemnification the trustee may require before proceeding to enforce the lien.

Instructions:

1. The Instructions to Item 17 shall also apply to this Item.
2. Relevant statutory restrictions must be described.

Item 19. Other Securities

With respect to each class of any authorized securities other than capital stock or long-term debt of the Registrant, outline briefly the rights evidenced thereby. If the securities are subscription warrants or rights, state the title and amount of securities called for, and the period during which and the prices at which the warrants or rights are exercisable.

Instruction: The Instructions to Item 17 shall also apply to this Item.

redemption provision, (viii) sinking fund provisions, and (viii) liability to further calls or to assessment by the Registrant.

- (2) If the rights of holders of such stock may be modified otherwise than by a vote of a majority or more of the shares outstanding, voting as a class, so state and explain.
- (3) Outline any restriction on the repurchase or redemption of shares by the Registrant while there is an arrearage in the payment of dividends or sinking fund installments.
- (b) Furnish the following information, in substantially the tabular form indicated as to each class of authorized securities of the Registrant. The information is to be furnished as of a date within 90 days of the filing of this Registration Statement or amendment thereto.

(1) Title of Class	(2) Amount Authorized	(3) Amount Held by Registrant or for its Account	(4) Amount Outstanding Exclusive of Amount Shown under (3)
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Instructions:

1. If the rights evidenced by any class of securities being described are materially limited or qualified by the rights of any other class of securities, include such information regarding such other securities as will enable investors to understand the rights evidenced by the securities being described.
2. A negative response is required if any of the above rights or restrictions do not apply to any class of stock.
3. The Registrant should include in the description of rights outlined in paragraph (a) above a statement of the policy it will follow in deciding when to pay dividends from its net investment income and make distributions of any realized capital gains to shareholders. Also include Registrant's policy on reinvestment of dividends.

Item 20. Financial Statements

The Registration Statement in Part I of this Form shall contain, in a separate section following the responses to the foregoing items, the financial statements specified in the following instructions:

Instructions as to Financial Statements: These instructions specify the financial statements required to be filed as a part of a Registration Statement on this Form. Article 6 of Regulation S-X [17 CFR 210.6-01 to 210.6-10] governs the certification, form and content of the statements required, including the basis of consolidation, and prescribes the statements of surplus and schedules to be filed in support thereof.

A. Statements of the Registrant

1. Balance Sheets and Statements of Assets and Liabilities:

- a. The Registrant shall file a certified balance sheet or statement of assets and liabilities as of the close of its latest fiscal year unless such fiscal year has ended within 90 days prior to the date of filing, in which case the statements may be as of the close of the preceding fiscal year.
- b. If the latest fiscal year of the Registrant has ended within 90 days prior to the date of filing and the statement required by paragraph a. is filed as of the end of the preceding fiscal year, there shall be filed as an amendment to the Registration Statement, within 120 days after the date of filing, a certified statement of the Registrant as of the end of its latest fiscal year.

2. Statements of Income and Expense, Realized and Unrealized Gain or Loss on Investments: The statements specified in Rules 6-04, 6-05 and 6-06 [17 CFR 210.6-04, 05 and 06] of Regulation S-X shall be filed for the Registrant for each of its last three fiscal years preceding the date of the statement required by Instruction 1.a. and for the fiscal year immediately preceding the date of each statement filed pursuant to Instruction 1.b. Such statements shall be certified.

B. Consolidated Statements

3. Consolidated Balance Sheets and Statements of Assets and Liabilities:

a. There shall be filed a certified consolidated balance sheet or statement of assets and liabilities of the Registrant and its subsidiaries as of the close of the latest fiscal year of the Registrant, unless such fiscal year has ended within 90 days prior to the date of filing, in which case this statement may be as of the close of the preceding fiscal year.

b. If the latest fiscal year of the Registrant has ended within 90 days prior to the date of filing and the statement required by paragraph a. is filed as of the end of the preceding fiscal year, there shall be filed as an amendment to the Registration Statement, within 120 days after the date of filing, a certified consolidated balance sheet or statement of assets and liabilities of the Registrant and its subsidiaries as of the end of the latest fiscal year.

4. Consolidated Statements of Income and Expense, Realized and Unrealized Gain or Loss on Investments: The statements specified in Rules 6-04, 6-05 and 6-06 [17 CFR 210.6-04, 05 and 06] of Regulation S-X shall be filed for the Registrant and its subsidiaries consolidated for each of the last three fiscal years preceding the date of the consolidated statement required by Instruction 3.a. and for the fiscal year immediately preceding the date of each consolidated statement filed pursuant to Instruction 3.b. Such statements shall be certified.

C. Unconsolidated Subsidiaries

5. Unconsolidated Subsidiaries:

a. Subject to Rules 4-03 [17 CFR 210.4-03] and 6-02 [17 CFR 210.6-02] of Regulation S-X regarding group statements of unconsolidated subsidiaries, there shall be filed for each subsidiary of the Registrant not consolidated, the financial statements which would be required if the subsidiary were itself a Registrant. However, the profit and loss statements or statements of income and expense, realized and unrealized gain or loss on investments filed for any subsidiary which is less than majority-owned need cover only the last fiscal year immediately preceding the date of the balance sheet or statement of assets and liabilities filed for such subsidiary.

b. If the fiscal year of any unconsolidated subsidiary ends within 90 days before the date of filing the Registration Statement, or ends after the date of filing, the

written notice require the filing of other statements in addition to, or in substitution for, the statements herein required in any case where such statements are necessary for an adequate presentation of the financial condition of any person whose financial statements are required, or whose statements are otherwise necessary for the protection of investors.

E. Historical Financial Information

9. Scope of Part E: The information required by Part E shall be furnished for the seven-year period preceding the period for which profit and loss statements or statements of income and expense, realized and unrealized gain or loss on investments are filed, as to the accounts of each person whose balance sheet or statement of assets and liabilities is filed. The information is to be given as to all of the accounts specified whether they are presently carried on the books or not. Part E does not call for an audit, but only for a survey or review of the accounts specified. It should not be detailed beyond a point material to an investor. Information may be omitted, however, as to any person for whom equivalent information for the period has been filed with the Commission pursuant to the Securities Act of 1933 or the Securities Exchange Act of 1934.

10. Revaluation of Assets:

- a. If there were any material increases or decreases in investments, in property, plant and equipment, or in intangible assets, state (i) in which year or years such revaluations were made, (ii) the amounts of such increases or decreases, and the accounts affected, including all related entries, and (iii) if in connection with such revaluations any related adjustments were made in reserve accounts and amounts with explanations.
- b. Information is not required as to adjustments made in the ordinary course of business, but only as to major revaluations made for the purpose of entering in the books current values, reproduction cost, or any values other than original cost.
- c. No information need be furnished with respect to any revaluation entry which was subsequently reversed or with respect to the reversal of a revaluation entry recorded prior to the period if a statement as to the reversal is made.

financial statements of the subsidiary may be filed as an amendment to the Registration Statement within 120 days after the end of the subsidiary's fiscal year.

6. Omission of Statements Required by Instruction 5: Notwithstanding Instruction 5, there may be omitted from the Registration Statement all financial statements of any one or more unconsolidated subsidiaries if all such subsidiaries for which statements are so omitted, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

D. General Provisions

7. Reorganization or Succession:

a. If, during the period for which statements of income and expense, realized and unrealized gain or loss on investments are required to be filed with the Registration Statement, the Registrant has emerged from a reorganization in which substantial changes occurred in its assets, liability, capital share, surplus or reserve accounts, a brief explanation of such changes shall be set forth in a note or supporting schedule to the balance sheets or statements of assets and liabilities filed.

b. If, during such period, the Registrant has acquired by merger, consolidation or other succession one or more businesses representing, in the aggregate, assets valued in excess of 15% of the value of the Registrant's assets at the time of filing, the additions, eliminations and other changes effected in the succession shall be appropriately set forth in a note or supporting schedule to the balance sheets or statements of assets and liabilities filed. In addition, profit and loss or income statements for each business so acquired, or combined statements if appropriate, shall be filed for such period prior to the succession as may be necessary when added to the time, if any, for which profit and loss or income statements after the succession are filed to cover the equivalent of three full fiscal years.

8. Filing of Other Statements in Certain Cases: The Commission may, upon the informal written request of the Registrant, and where consistent with the protection of investors, permit the omission of one or more of the statements herein required or the filing in substitution thereof of appropriate statements of comparable character. The Commission may also by informal

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prior to the date on which it became a subsidiary of the Registrant or a predecessor for which information is required above.

b. No information need be furnished hereunder as to any one or more unconsolidated subsidiaries for which separate financial statements are filed if all subsidiaries for which the information is so omitted, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

c. Only the information specified in Instruction 10 need be given as to any predecessor or any subsidiary thereof if immediately prior to the date of succession thereto by a person for which information is required the predecessor subsidiary was in insolvency proceedings.

16. Instructions for Financial Statements in Prospectus:

a. If any balance sheet or statement of assets and liabilities filed is not as of a date within 90 days prior to the date of filing the Registration Statement on this Form, there shall also be included in the prospectus a corresponding balance sheet or statement of assets and liabilities as of a date within 90 days prior to the date of filing and the related statements prescribed by Article 6 [17 CFR 210.6-01 to 210.6-10] of regulation S-X from the close of the latest fiscal year for which such statements are included up to the date of the balance sheet or statement of assets and liabilities required by this paragraph. The statements required by this paragraph need not be certified, but if they are certified the balance sheet or statement of assets and liabilities as of the end of the last fiscal year may be omitted.

b. Notwithstanding the requirements the following may be omitted from the prospectus of a registered investment company:

- (i) the statements of any subsidiary which is not a majority-owned subsidiary;
- (ii) all schedules in support of the most recent balance sheet or statement of assets and liabilities filed except the following:
Schedule I; columns A, E, F and G of Schedule II; and columns A, B, C and D of Schedule III, omitting the information called for by paragraph (b) of footnote 1 to column A;

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11. Capital Shares:

a. If there were any material restatements of capital shares which resulted in transfers from capital share liability to surplus or reserve, state the amount of each such restatement and all related entries. No statement need be made as to restatements resulting from the declaration of share dividends.

b. If there was an original issue of capital shares any part of the proceeds of which was credited to accounts other than capital share accounts, state the title of the class, the accounts and the respective amounts credited thereto.

12. Debt Discount and Expense Written Off: If any material amount of debt discount and expense, on long-term debt still outstanding, was written off earlier than as required under any periodic amortization plan, give the following information: (i) title of the securities, (ii) date of the write-off, (iii) amount written off and (iv) to what account charged.

13. Other Changes in Surplus: If there were any material increases or decreases in surplus, other than those resulting from transactions specified above, the closing of the income and profit and loss accounts or the declaration or payment of dividends, state (i) the year or years in which such increases or decreases were made, (ii) the nature and amounts thereof and (iii) the accounts affected, including all material related entries. Instruction 10.c. above shall also apply here.

14. Predecessors: The information shall be furnished, to the extent it is material, as to any predecessor of the Registrant from the beginning of the period to the date of succession, not only as to the entries made respectively in the books of the predecessor or the successor, but also as to the changes effected in the transfer of the assets from the predecessor. However, no information need be furnished as to any one or more predecessors which, considered in the aggregate, would not constitute a significant predecessor.

15. Omission of Certain Information:

a. No information need be furnished as to any subsidiary, whether consolidated or unconsolidated, for the period

(iii) the historical financial information called for by Part E.

c. The Registrant may, at its option, furnish all financial statements specified in paragraphs a. and b. above in Part II of the Registration Statement and include only the following statements in its prospectus:

(i) A statement of assets and liabilities in which the details of Schedules I, II and III prescribed by Instructions a. and b. above may be substituted for the summaries of these items as prescribed by Rule 6-03 [17 CFR 210.6-03] of Regulation S-X. The specimen price-watermark sheet required by Item 15.a. may be furnished as a continuation of this statement. If this option is elected, the statement required by Rule 6-09 [17 CFR 210.6-09] may be omitted from the prospectus.

(ii) An income statement for the latest fiscal year in the form specified in Rule 6-04 [17 CFR 210.6-04] of Regulation S-X, including, on the same page, (1) the items specified in caption 5 of Rule 6-05 [17 CFR 210.6-05] and caption 2 of Rule 6-06 [17 CFR 210.6-06], and (2) the ratio of total operating and management expenses to total investment income. "Total operating and management expenses" means the aggregate of the expenses described in captions 2 and 3 of Rule 6-04 [17 CFR 210.6-04] of Regulation S-X. "Total investment income" does not include equalization adjustments.

(iii) Statements of changes in net assets for the three full fiscal years prior to the date of filing (or for the life of the Registrant, if less) as prescribed by Rule 6-08 [17 CFR 210.6-08].

Except that the statement prescribed by (ii) above is required for only one fiscal year and an interim period, if any, to within 90 days of filing, the instructions as to dates and certification prescribed in Item 16.a above shall be applicable to the optional statements permitted by this Instruction 3.

d. Regulation S-X covers the certification, form and content of the financial statements required, including the basis of consolidation, and prescribes the statements of surplus and schedules to be filed in support thereof.

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Instruction: In responding to this Item the Registrant should take note of the requirements of Rule 460 [17 CFR 230.460] under the 1933 Act and Section 17 of the 1940 Act.

Item 4. Financial Statements and Exhibits

List all financial statements and exhibits filed as part of the Registration Statement.

(a) Financial statements:

Instruction: Designate those financial statements included in Part I and those financial statements included in Part II of the Registration Statement.

(b) Exhibits:

- (1) copies of the charter as now in effect;
- (2) copies of the existing by-laws or instruments corresponding thereto;
- (3) copies of any voting trust agreement with respect to more than 5 percent of any class of equity securities of the Registrant;
- (4) specimens or copies of each security issued by the Registrant, including copies of all constituent instruments, defining the rights of the holders of such securities, and copies of each security being registered;
- (5) copies of the constituent instruments defining the rights of the holders of long-term debt of all subsidiaries for which consolidated or unconsolidated financial statements are required to be filed; the financial statements relating to any class of long-term debt of the Registrant or any subsidiary need not be filed if the total amount of securities authorized thereunder amounts to less than 2 percent of the total assets of the Registrant and its subsidiaries on a consolidated basis and if the Registrant files an agreement to furnish copies of such instruments to the Commission upon request.
- (6) copies of all investment advisory contracts relating to the management of the assets of the Registrant;

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PART II. OTHER INFORMATION

Item 1. Marketing Arrangements

Briefly describe any arrangement known to the Registrant or to any person named in answer to Item 4, or to any person specified in Item 11(b) of Part I, made for any of the following purposes:

- (a) to limit or restrict the sale of other securities of the same class as those to be offered for the period of distribution;
- (b) to stabilize the market for any of the securities to be offered;
- (c) to hold each underwriter or dealer responsible for the distribution of his participation.

Instruction: If the answer to this Item is contained in an exhibit, the Item may be answered by cross-reference to the relevant paragraphs of the exhibit.

Item 2. Other Expenses of Issuance and Distribution

Furnish a reasonably itemized statement of all expenses in connection with the issuance and distribution of the securities being registered, other than underwriting discounts and commissions. If any of the securities being registered are to be offered for the account of security holders, indicate the portion of such expenses to be borne by such security holders.

Instruction: Insofar as practicable, registration fees, federal taxes, state taxes and fees, trustees' and transfer agents' fees, cost of printing and engraving, and legal, accounting and engineering fees shall be separately itemized. The information may be given as subject to future contingencies. If the amounts of any Items are not known, estimates designated as such shall be given.

Item 3. Indemnification

State the general effect of any contract, arrangement or statute under which any director, officer, underwriter or affiliated person of the Registrant is insured or indemnified in any manner against any liability which may be incurred in such capacity, other than insurance provided by any director, officer, affiliated person or underwriter for their own protection.

- (7) copies of each underwriting or distribution contract between the Registrant and a principal underwriter, and specimens or copies of all agreements between principal underwriters and dealers;
- (8) copies of all bonus, profit sharing, pension or other similar contracts or arrangements wholly or partly for the benefit of directors or officers of the Registrant in their capacity as such; if any such plan is not set forth in a formal document, furnish a reasonably detailed description thereof;
- (9) copies of all custodian agreements, and depository contracts under Section 17(f) of the 1940 Act, with respect to securities and similar investments, of the Registrant, including the schedule of remuneration;
- (10) copies of all other material contracts not made in the ordinary course of business which are to be performed in whole or in part at or after the date of filing the Registration Statement;
- (11) an opinion and consent of counsel as to the legality of the securities being registered, indicating whether they will when sold be legally issued, fully paid and non-assessable;
- (12) copies of any other opinions, appraisals or rulings, and consents to the use thereof relied on in the preparation of this Registration Statement or required by Section 7 of the 1933 Act;
- (13) all financial statements omitted from Item 20 of Part I;
- (14) copies of all powers of attorney;
- (15) copies of any agreements or understandings made in consideration for providing the initial capital between or among the Registrant, the underwriter, adviser, promoter or initial stockholders and written assurances from promoters or initial stockholders that their purchases were made for investment purposes without any present intention of reselling or reoffering.

Instruction: Subject to the Rules regarding incorporation by reference, the foregoing exhibits shall be filed as a part of the Registration Statement. Exhibits numbered 11-14 above are required

to be filed only as part of a 1933 Act Registration Statement. Exhibits shall be appropriately lettered or numbered for convenient reference. Exhibits incorporated by reference may bear the designation given in a previous filing. Where exhibits are incorporated by reference, the reference shall be made in the list of exhibits required above.

Item 5. Persons Controlled by or under Common Control with Registrant

Furnish a list or diagram of all persons directly or indirectly controlled by or under common control with the Registrant and as to each such person indicate (1) if a company, the state or other sovereign power under the laws of which it was organized, and (2) the percentage of voting securities owned or other basis of control by the person, if any, immediately controlling it.

Instructions:

1. The list or diagram shall include the Registrant and shall be so prepared as to show clearly the relationship of each company named to the Registrant and to the other companies named. If any company is controlled by means of the direct ownership of its securities by two or more persons, so indicate by appropriate cross reference.

2. Designate by appropriate symbols (i) subsidiaries for which separate financial statements are filed; (ii) subsidiaries included in the respective consolidated financial statements; (iii) subsidiaries included in the respective group financial statements filed for unconsolidated subsidiaries; (iv) other subsidiaries, indicating briefly why statements of such subsidiaries are not filed.

Item 6. Number of Holders of Securities

State in substantially the tabular form indicated, as of a specified date within 90 days prior to the date of filing, the number of record holders, and the approximate number of beneficial holders to the best of the Registrant's knowledge of each class of securities of the Registrant.

(1)	(2)	(3)
Title of Class	Number of Record Holders	Number of Beneficial Holders

Item 7. Location of Accounts and Records

With respect to each account, book or other document required to be maintained by Section 31(a) of the 1940 Act and the Rules [17 CFR 279.31a-1 to 31a-3] promulgated thereunder, furnish the name and address of each person maintaining physical possession of each such account, book or other document.

Item 8. Business and Other Connections of Investment Adviser

Describe any other business, profession, vocation or employment of a substantial nature in which each investment adviser of the Registrant, and each director, officer or partner of any such investment adviser, is or has been at any time during the past two fiscal years, engaged for his own account or in the capacity of director, officer, employee, partner or trustee.

Instructions:

1. State the name and principal business of any company with which any person specified above is connected in the capacity of director, officer, employee, partner or trustee, and the nature of such connection.

2. The names of investment advisory clients need not be given in answering this Item.

Item 9. Undertakings

Furnish the following undertakings in substantially the following form in all Initial Registration Statements filed under the 1933 Act:

(a) Registrant undertakes to suspend offering of its shares until it amends its prospectus if (1) subsequent to the effective date of its Registration Statement, the net asset value declines more than 10 percent from its net asset value as of the effective date of the Registration Statement or (2) the net asset value increases to an amount greater than its net proceeds as stated in the prospectus.

(b) When a company proposes to raise its initial capital pursuant to Section 14(a)(3) of the Investment Company Act, it should undertake to file a post-effective amendment with certified financials showing the initial capital received, before accepting subscriptions from any persons in excess of 25.

(c) If the securities being registered are to be offered to existing security holders pursuant to warrants or rights and any securities not taken by security holders are to be reoffered to the public, Registrant shall undertake to supplement the prospectus, after the expiration of the subscription period, to set forth the results of the subscription offer, the transactions by the underwriters during the subscription period, the amount of unsubscribed securities to be purchased by the underwriters and the terms of any subsequent reoffering thereof. If any public offering by the underwriters is to be made on terms differing from those set forth on the cover page of the prospectus, Registrant shall undertake to file a post-effective amendment to set forth the terms of such offering.

INSTRUCTIONS AS TO SUMMARY PROSPECTUSES

The summary prospectus to be used pursuant to Rule 434A [17 CFR 230.434a] for companies whose securities are registered on Form N-20 shall be available only if (1) the Registration Statement is in effect, (2) the response to Items 6(b) and 4(c) of Part I is "Not Applicable," and (3) if at such time Registrant intends to meet the requirements of Subchapter M, Sections 851-855 of the Internal Revenue Code during the current taxable year. No sales literature may be used unless it meets the requirements of Rule 134 and unless preceded or accompanied by the full statutory prospectus. The summary prospectus shall at the time of its use contain such of the information specified below as is then included in the Registration Statement. All other information and documents contained in the Registration Statement may be omitted.

- (a) The information contained in Item 2 of Part I must be included in the summary prospectus.
- (b) The information called for by Item 3 of Part I shall be set forth not further back in the summary prospectus than the third page thereof and shall not be preceded by any other chart or table.
- (c) The information in Item 7(b) must be contained herein if it is in the affirmative. In addition, the information in Item 7(d) should be included if the portfolio turnover for the past three years has averaged over 75%.
- (d) The summary prospectus must contain the legends required by Rules 425 and 434(e) under the Securities Act of 1933, and the following legend should be placed on the cover page:

ALL INTERESTED PERSONS SHOULD SEND FOR AND EXAMINE THE FULL PROSPECTUS BEFORE PURCHASING SHARES OF THE FUND.

Instructions:

1. If Registrant chooses to present the information required by Item 20 of Part I, it must be set forth in complete and uncondensed form, except insofar as Item 3 of Part I constitutes such a condensation.
2. The Commission may, upon the request of the Registrant, and where consistent with the protection of investors, permit the omission of any of the information herein required or the furnishing in substitution thereof appropriate information of comparable character. The Commission may also require the inclusion of other information in addition to, or in substitution for, the information herein required in any case where such information is necessary or appropriate for the protection of investors.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 (and) (or) the Investment Company Act of 1940, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of _____, _____, and State of _____, on the _____ day of _____, 19____.

(Registrant)

By _____
(Signature and Title)

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

(Signature) _____
(Title) _____
(Date)

Securities and Exchange Commission
Washington, D.C. 20549

ANNUAL REPORT OF
MANAGEMENT INVESTMENT COMPANY

Pursuant to Section 30 of the Investment Company Act of 1940
and Section 13 or 15(d) of the Securities Exchange Act of 1934

For Fiscal Year Ended 19

Read the Form N-1R Instruction Book carefully before completing this form.

Name of Registrant:		IRS Expt. Ident. No.
Address of Principal Executive Office: (No. & Street, City, State, Zip Code)		
Investment Adviser(s):	Name:	IRS Expt. Ident. No.
001		
002		
003		
Principal Underwriter(s):	Name:	IRS Expt. Ident. No.
001		
002		
003		
Independent public accountant who signed opinion of accountant attached hereto:	Name:	IRS Expt. Ident. No.

ITEM 1. Classification:

a. Size: Value of total net assets	\$	(yes or no)
b. (1) Open-end - Sec. 5(a)(1)		(yes or no)
(2) Closed-end - Sec. 5(a)(2)		(yes or no)
c. (1) Diversified - Sec. 5(b)(1)		(yes or no)
(2) Non-diversified - Sec. 5(b)(2)		(yes or no)
d. (1) No-load fund - Sec. 10(d)		(yes or no)
(2) No-load fund - other than Sec. 10(d)		(yes or no)
e. Exchange fund		(yes or no)
f. Multiple series fund		(yes or no)
g. Limited partnership		(yes or no)
h. Fund making continuous offering of its shares		(yes or no)
i. Dual purpose company		(yes or no)
j. Money market fund		(yes or no)
k. Issuer of variable annuity contracts		(yes or no)
l. Issuer of variable life insurance contracts		(yes or no)

ITEM 2. Diversification of Assets:

a. (1) If registrant is a diversified company, state whether at all times during the fiscal year at least 75% of the value of its total assets was represented by cash and cash items (including receivables), Government securities, securities of other investment companies, and other securities as defined in Section 5(b)(1) of the Act	(yes or no)
(2) If the answer to a(1) above is "no," state whether any discrepancy was wholly or partly the result of the acquisition by registrant of any security or other property - Sec. 5(c)	(yes or no)

b. Companies in which registrant invested more than 5% of the value of its total assets at any time during the fiscal year:

Name of Company	Date(s) Value Exceeded 5%	Percent of Value of Total Assets
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

c. Companies more than 5% of whose outstanding voting securities were directly or indirectly owned, controlled, or held with the power to vote by the registrant at any time during the fiscal year:

Name of Company	Date(s) when Percentage Exceeded 5%	Percent of Voting Securities Owned by Registrant
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

ITEM 3. Continued Financial Information:									
a. Ratio of operating expenses to total investment income									
b. Ratio of operating expenses to average net assets									
c. Ratio of net income to average net assets									
Total amounts used in computing above ratios (not per share amounts):									
d. Total investment income	\$								
e. Total operating expenses	\$								
f. Total net income	\$								
g. Average net assets	\$								
Capital changes									
h. Net asset value at beginning of fiscal year	\$								
i. Net realized and unrealized profits or (losses) on securities	\$								
j. Distributions from realized capital gains	\$								
k. Net asset value at end of fiscal year	\$								
ITEM 4. Board of Directors Meetings:									
a. Number of board members on meeting date regardless of attendance	1	2	3	4	5	6	7	8	9
(1) Interested									
(2) Non-Interested									
b. Number of interested directors attending									
c. Number of non-interested directors attending									
ITEM 5. Directors, Officers, and Members of Advisory Board:									
a. State whether registrant had a board of directors more than 50% of the members of which were interested persons of the registrant (yes or no)									
b. State whether 50% or more of the members of the board of directors of registrant were regular brokers for registrant or affiliated persons of any such broker (yes or no)									
c. State whether 50% or more of the members of the board of directors of registrant were principal underwriters of securities issued by registrant or interested persons of any such principal underwriter (yes or no)									
d. State whether 50% or more of the members of the board of directors of registrant were investment bankers or affiliated persons of any investment banker (yes or no)									
e. State whether a majority of the board of directors of registrant were officers, directors, or employees of any one bank (yes or no)									
f. If registrant has an advisory board, state whether it was at any time during the fiscal year comprised of persons more than 50% of whom were interested persons of the registrant (yes or no)									
ITEM 6. Vacancies on Board of Directors:									
a. If any vacancy in the board of directors of registrant was filled by action of the board, state whether, immediately after the filling of any such vacancy, at least two-thirds of the directors then holding office had been elected by the holders of the outstanding voting securities of registrant at an annual or a special meeting of shareholders (yes or no)									
b. If at any time during the fiscal year less than a majority of the directors of registrant then holding office had been elected by the holders of the outstanding voting securities of registrant, state whether a meeting of shareholders was held within sixty days for the purpose of electing directors to fill any existing vacancies in the board of directors (yes or no)									

ITEM 7. Indemnification of Directors or Officers:

If during the fiscal year registrant made any payment in the nature of an indemnity payment on behalf of any person to indemnify such person against any liability to the registrant or its shareholders resulting from the conduct of such person's office, state the total amount of indemnity payments paid on behalf of all such persons: \$

ITEM 8. Indebtedness of Officers and Certain Non-Interested Directors to Certain Other Persons:

State whether there was any indebtedness (other than by virtue of margin accounts) of any director of registrant who was not then an interested person of registrant, or of any officer of registrant who was not then an interested person of registrant's investment adviser or principal underwriter, as the case may be, in an amount exceeding \$1,000 to registrant's investment adviser or principal underwriter or to any affiliated person thereof (yes or no)

ITEM 9. Business or Professional Relationships of Non-Interested Directors with Registrant or with Certain Other Persons:

State whether at any time since the beginning of registrant's last two fiscal years there existed any business or professional relationship between any director of the registrant who was not an interested person of registrant with:

- the registrant or the principal executive officer of the registrant (yes or no)
- any other investment company having the same investment adviser or principal underwriter, or with the principal executive officer of such other investment company (yes or no)
- the registrant's investment adviser or principal underwriter (yes or no)
- the principal executive officer or any controlling person of the registrant's investment adviser or principal underwriter (yes or no)

ITEM 10. Transactions between Officers or Certain Non-Interested Directors of Registrant and Certain Other Persons:

State whether there was any transaction between registrant's investment adviser or principal underwriter, or any broker named in the answers to Items 3, 4, or 6, and (1) any director of registrant who was not an interested person of registrant, or any officer of registrant who was not an interested person of such investment adviser or principal underwriter, or an affiliated person of such broker, as the case may be, or (2) any corporation or organization controlled by such director or officer (yes or no)

ITEM 11. Remuneration received by registrant's directors, officers, and advisory board members:			
a. Total remuneration received by each of registrant's directors, three highest paid officers, and advisory board members, who each received aggregate remuneration in excess of \$40,000:			
Name of Person (Last) (First) (Initial)	Specified in Social Security Number (A)	Name of Each Person from whom remuneration was received (B)	Amount of Remuneration Received (C)
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
(11)			
TOTAL			\$
b. Remuneration received by registrant's directors and officers as a group without naming them:			
Name of each person from whom remuneration was received by the group (A)	Amount of Remuneration Received (B)		
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			
TOTAL		\$	
c. Remuneration received by registrant's advisory board as a group without naming them:			
Name of each person from whom remuneration was received by the group (A)	Amount of Remuneration Received (B)		
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			
TOTAL		\$	
d. Total amount set aside or accrued during fiscal year for pension or retirement benefits proposed to be paid to each person named in Item 11a. above:			
Name of Person (Last) (First) (Initial)	Name of Each Person Providing Pension or Retirement Benefits (A)	Amount Set Aside or Accrued (B)	
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
(11)			
TOTAL			\$

ITEM 12. Remuneration of Certain Affiliated Persons Acting as Agent in Property Transactions or as Broker in Securities Transactions:	
a. State whether during the fiscal year the registrant compensated (other than through a regular salary or wages or underwriting or brokerage fees) any affiliated person, or to the knowledge of the registrant, any affiliated person of such person, acting as agent, for the purchase or sale of any property to or for the registrant or any controlled company thereof.	(yes or no)
b. State whether during the fiscal year the registrant compensated any affiliated person, or any affiliated person of such person, acting as broker, in connection with the sale of securities to or by the registrant or any controlled company thereof, for effecting such transaction where the compensation exceeded (1) the usual and customary broker's commission if the sale was effected on a securities exchange, or (2) 2% of the sales price if the sale was effected in connection with a secondary distribution of such securities, or (3) such other percent as permitted by Rule 17e-1 under the Act.	(yes or no)
c. State whether the type of compensation referred to in subsections a. and b. was paid to any affiliated person of the registrant or to any affiliated person of such person by any person other than the registrant.	(yes or no)
ITEM 13. Transactions between Registrant or a Controlled Company and Affiliated or Certain Other Persons:	
a. State whether during the fiscal year (i) any affiliated person of the registrant, (ii) any promoter of the registrant, (iii) any principal underwriter for the registrant (other than a company of the character described in Section 12(d)(3)(A) and (B) of the Act), or (iv) any affiliated person of any of the foregoing persons known to be such by registrant, acting as principal, sold to the registrant or to any company controlled by the registrant, or purchased from the registrant or from any company controlled by the registrant, any security or other property.	(yes or no)
b. State whether during the fiscal year any of the persons listed in clauses (i) through (iv) of subsection a., acting as principal, borrowed money or other property from the registrant or from any company controlled by the registrant.	(yes or no)
c. State whether during the fiscal year the registrant lent money or property to any person, directly or indirectly, which person controlled or was under common control with the registrant.	(yes or no)
ITEM 14. Joint Enterprises Involving Registrant or a Controlled Company, and an Affiliated Person:	
State whether during the fiscal year there was any joint enterprise in which the registrant or a company controlled by registrant participated with a company affiliated with the registrant or with an affiliated person of such an affiliated company and which was carried out without the filing of an application under Rule 17d-1 under the Act where the participants relied on the exemption provided by subsection (d)(5) of that Rule.	(yes or no)
ITEM 15. Transactions between Registrant and Certain Affiliated Persons of Directors or Officers of Registrant's Investment Adviser or Principal Underwriter:	
State whether there were any transactions between registrant and any corporation or organization (other than registrant's investment adviser or principal underwriter) which was an affiliated person, known to be such by registrant, of any director or officer of registrant's investment adviser or principal underwriter.	(yes or no)

Form 16. Direct or Indirect Ownership Interest which Certain Affiliated Persons of the Registrant Had During the Fiscal Year in: A. Registrant's Investment Adviser (If Employer Identification No. or Social Security No. (If more than one, use separate sheets.))				If security holder, indicate class and if voting security: check: Holder of 25% or more than 25% or 1 of 4 largest interests
(1)	(A)	(B)	(C)	(D)
(Name of Adviser)				
Name of Affiliated Person (Last) (First) (Middle)				
Relationship Symbol				
b. Registrant's Principal Underwriter (Name of Underwriter)				
(1)				
Name of Affiliated Person (Last) (First) (Middle)				
Relationship Symbol				

[illegible]

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ITEM 17. Family Relationships of Certain Affiliated Persons of Registrant:

As to each director, officer, member of any advisory board or advisory committee of the registrant, or any person who owns or is known by the registrant to own beneficially 5% or more of the outstanding voting securities of the registrant, state whether there was any immediate family relationship, known to the registrant with:

a. any director, officer, or member of any advisory board or advisory committee, of the registrant, of its investment adviser, or of its principal underwriter (yes or no)

b. any other person who owns or is known by registrant to own beneficially 5% or more of the outstanding voting securities of the registrant, of its investment adviser, or of its principal underwriter (yes or no)

c. any partner of such investment adviser or principal underwriter (yes or no)

ITEM 18. Fidelity Bonds:

Name of Fidelity Insurer	Bond Ident. No.	Amount of Coverage	Type of Dates in Bond Effect

b. State whether registrant complied with all requirements of Rule 17g-1 under the Act with respect to a fidelity bond (yes or no)

ITEM 19. Custody of Securities and Similar Investments:

Name of Custodian	IRS Ident. No.	Bank Sec. 17(f)(1) Rule 17f-2 Depository	Type of Custody (Check One)	
			Member National Securities Exchange	Registrant Central
(1)				
(2)				

If registrant is custodian, name of depository:

ITEM 20. Deposit of Funds in Banks Other than Custodian Banks:

a. Name each bank, other than a custodian bank named in Item 19, in which registrant kept deposits during the fiscal year:

Name of Bank	IRS Employee Identification No.	Average Monthly Balance of Deposits
		\$

b. If the registrant maintained its securities and similar investments in the custody of a qualified bank or banks, state whether the deposits, if any, referred to in subsection a. consisted entirely of deposits maintained in a checking account or accounts in a bank or banks having the qualifications prescribed in paragraph (1) of Section 26(a) of the Act for the trustees of unit investment trusts, with the balance of such account or accounts at no time exceeding the amount of the fidelity bond, maintained pursuant to Section 17(g) of the Act, covering the officers or employees authorized to draw on such account or accounts (yes or no)

c. State whether during the fiscal year there existed any practice or arrangement, formal or otherwise, under which the custodian bank or banks named in answer to Item 19 maintained deposits of registrant's funds or cash equivalents of any such bank or banks in other banks for the purpose of permitting registrant to draw directly on such funds without notifying the custodian bank (yes or no)

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ITEM 21. Investment Advisory Contract and Fees:

a. Fee rate (annualized) under registrant's advisory contract, as a percentage of net asset value.

Step:	Net Assets (in millions of dollars)	Annual Fee Rate
1. First		
2. Of next		
3. Of next		
4. Of next		
5. Of next		
6. Of next		
7. Of next		
8. Of next		
9. Of next		
10. Over		

b. State whether registrant's total annual expenses are limited to a percentage of net asset value by the provisions of the advisory contract or otherwise (yes or no)

c. State whether the advisory fee paid by registrant is computed under terms of the contract wholly or partly on the basis of the performance of registrant (yes or no)

d. State whether the advisory fee paid by registrant is determined on a basis other than a percent of net assets or the performance of registrant (yes or no)

e. State whether the advisory contract as in effect on or after December 14, 1971, complied with the provisions of Section 205 of the Investment Advisers Act as amended (yes or no)

f. (i) State dollar amount of advisory fees paid by registrant \$ (yes or no)

(ii) State dollar amount of the reduction, if any, in advisory fees payable as the result of expenses of the registrant in excess of any expense limitation \$

(iii) State the number of times reductions were made in the advisory fee payable as the result of expenses in excess of any expense limitation (number)

(iv) State the number of times during the fiscal year that advisory fee payments were due pursuant to the advisory contract (number)

g. Total dollar amount of advisory fees received by registrant's adviser, or by any affiliated adviser thereof, from all associated registered investment companies \$

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ITEM 30. Portfolio Trading Practices:

- a. State whether registrant engaged in any of the following types of transactions during the fiscal year:
- | | |
|------------------------------------|-------------|
| 1. Margin purchases | (yes or no) |
| 2. Short selling | (yes or no) |
| 3. Joint trading | (yes or no) |
| 4. Option trading | (yes or no) |
| 5. Option writing | (yes or no) |
| 6. Borrowing of money | (yes or no) |
| 7. Lending of portfolio securities | (yes or no) |
| 8. Purchasing commodity futures | (yes or no) |
| 9. Repurchase agreements | (yes or no) |
| 10. Currency exchange transactions | (yes or no) |
- b. State whether the transactions, if any, reported in answer to subsection a. were permitted by registrant's policies as recited in its registration statements and reports filed under the Act. (yes or no)

ITEM 31. Portfolio Transactions Not Settled by Specified Settlement Dates:

Quarterly schedule of portfolio securities transactions which were not settled within 10 business days after the specified settlement dates:

Fiscal Quarter Ended: Month & Year (e.g., 6-75)	Total Transactions during Quarter	Unsettled portfolio transactions as of end of quarter (Age by business days unsettled)					
		11 but less than 20		20 but less than 30		30 or more	
	(Dollars) (No. Trans.)	(Dollars) (No. Trans.)	(Dollars) (No. Trans.)	(Dollars) (No. Trans.)	(Dollars) (No. Trans.)	(Dollars) (No. Trans.)	
Purchases:							
1st							
2nd							
3rd							
4th							
Sales:							
1st							
2nd							
3rd							
4th							
Stock							
Splits &							
Stock							
Dividends:							
1st							
2nd							
3rd							
4th							

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ITEM 32. "Restricted Securities":

- a. Owned at end of fiscal year:

[illegible]

PROPOSED RULES

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ITEM 32. "Restricted Securities":

[illegible]

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ITEM 33. Portfolio Transactions by Registrant with Brokers and Dealers Acting as Principals:

Amount of portfolio transactions (including Government securities) by registrant with brokers or dealers named in Items 34 and 69 acting as principals and with other brokers or dealers among the ten which engaged as principals in the largest amounts:

[illegible]

ITEM 34. Brokerage Commissions Paid on Portfolio Transactions of Registrant.

- a. Total brokerage commissions paid by registrant _____ \$
b. Ten brokers which received the greatest amount of brokerage commissions by virtue of direct or indirect participation in registrant's portfolio transactions, set forth in order of size based on net commissions received:

Statement of Broker Based on Net Commissions Received					
Name of Broker	IRS Empl. Ident. or Soc. Sec No. (A)	Gross Com-missions Re-ceived from Registrant (B)	Received from Other Brokers or Dealers (C)	Paid to Other Brokers or Dealers (D)	Net Commissions Received (E)
(1)		\$	\$	\$	\$
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

1. Participations of Certain Affiliated Brokers or Dealers in Brokerage Commissions
 ITEM 36. On Registrant's Portfolio Transactions and on Portfolio Transactions of any Associated Realized Investment Company:

Participations of affiliated brokers or dealers among the ten brokers which received the largest participations in brokerage commissions on registrant's portfolio transactions and among the ten brokers or dealers which engaged as principals in the largest amounts of registrant's portfolio transactions, in brokerage commissions on portfolio transactions (1) of registrant, and (2) of any associated registered investment company.

Name of Affiliated Broker or Dealer	Ins. Empl. Ident. No. or Soc. Sec. No. \$	Gross Commissions Received \$	Received from Other Brokers or Dealers \$	Paid to Other Brokers or Dealers \$	Net Commissions Received \$
(1) Participating in registrant's brokerage commissions:					

	(2) Participating in associated registered investment company's brokerage commissions;
--	--

ITEM 37. Selection of Brokers or Dealers in Return for Benefits or Other Considerations Provided to Other Persons:
 Other Considerations Provided to Other Persons:
 State whether during the fiscal year any orders were placed with a broker or dealer for the purchase or sale of portfolio securities on behalf of the registrant in which any benefit or other consideration was provided, directly or indirectly to any person other than the registrant, its investment adviser, principal underwriter or an associated registered investment company. (Yes or no)

ITEM 38. Tax Status: _____
 State whether registrant met the requirements of Subchapter M of the Internal Revenue Code during the last fiscal year _____ (Y or N)

of the value of its total assets _____ Yes or no

ITEM 40. Monthly Sales of Registrant's Shares; Dividends, Capital Gains and Other Distributions:

Distributions per Share

[illegible]

Item 41. Solicitation of Proxies: State whether definitive proxy material was filed with the Commission with respect to all solicitations of shareholders of registrant by or on behalf of the management of registrant, its investment adviser, or its principal underwriter.

1234 12. Confirmations, Share Balance Statements, and Other Communications:
a. State whether registrant, its principal underwriter or other designated persons transmitted confirmations to registrant's shareholders _____ (yes or no)

b. State whether registrant, its principal underwriter or other designated persons transmitted periodic share balance statements to restricted and substantial holders.

Item 4. Dividends or Distributions Requiring a Written Statement to Shareholders of Registrant:

During the fiscal year the registrant paid any dividend or made any distribution in the nature of a dividend payment (including securities, whether or not of its own issue, or property) on any class of its capital stock, wholly or partly from any source other than (a) accumulated undistributed net income (not including profits or losses realized on the sale of securities or other properties), or (b) net income for the current or preceding fiscal year, state whether such payment or distribution was accompanied by a written statement to the stockholders disclosing the source or sources thereof and otherwise complying with the provisions of Rule 13a-1 under the Act.

ITEM 44. Purchase of Securities of or Other Interest in an Investment Company, Investment Adviser, Broker, Dealer, Underwriter, or Insurance Company:

State whether during the fiscal year the registrant or any company controlled by it purchased or otherwise acquired, to the knowledge of the registrant, any security issued by, or any other interest directly or indirectly in the business of any other investment company, investment adviser, broker, dealer, underwriter, or in the case of an insurance company, a security resulting in the holding of more than 10% of the total outstanding voting stock of such insurance company.

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ITEM 45. Procedures with respect to State Policies: a. State whether during the fiscal year registrant followed any procedures for ensuring that its holding of portfolio securities or other assets, its liabilities, and the terms and nature of its outstanding securities were consistent in all material respects with its policies as recited in its registration statement and reports filed under the Act. (yes or no) b. If the answer to a. is "yes" and registrant has previously set forth such procedures in a prior annual report on this form, specify the relevant item number and date of such report, provided there has been no change in the information since such prior report was filed. (number and date)																
ITEM 46. Purchase of Securities during Underwriting by Affiliated Principal Underwriter: State whether during the fiscal year the registrant purchased or otherwise acquired from any source, during the existence of any underwriting or selling syndicate, any security (except a security of which the registrant was the issuer) a principal underwriter of which security was an officer, director, member of an advisory board, investment adviser, or employee of the registrant, or was a person (other than a company of the character described in Section 12(d)(3)(A) and (B) of the Act) of which any such officer, director, member of an advisory board, investment adviser, or employee was an affiliated person. (yes or no)																
ITEM 47. Selection and Ratification of Accountants and Auditors: a. State whether during the fiscal year the registrant filed with the Commission any financial statement certified by an independent public accountant other than one selected or ratified in accordance with Section 32(a) of the Act and the rules thereunder. (yes or no) b. State whether during the fiscal year the registrant filed with the Commission any financial statement in the preparation of which the controller or other principal accounting officer or employee of the registrant participated other than one selected in accordance with Section 32(b) of the Act. (yes or no)																
ITEM 48. Cross-Ownership and Circular Ownership: a. State whether registrant purchased any voting security of a company when, to the knowledge of registrant, cross-ownership or circular ownership then existed or existed after such acquisition between registrant and the issuer of such security. (yes or no) b. If, to the knowledge of registrant, any cross-ownership or circular ownership came into existence, state whether steps were taken by registrant, when such relationship became known to it, to terminate such ownership within the time period specified by Section 20(d) of the Act. (yes or no)																
ITEM 49. Periodic Calculation of Current Net Asset Value per Share of Registrant's Outstanding Capital Stock: State whether during the fiscal year the registrant followed the procedures specified in Rule 2a-4 under the Act in the making of periodic calculations of current net asset value per share of its outstanding capital stock for purposes of the distribution, redemption, and repurchase of such stock. (yes or no)																
ITEM 50. Employees of Registrant: a. Employees (1) of registrant (2) of any person, furnishing advisory services at cost b. Name of person furnishing advisory services at cost: <table border="1"> <thead> <tr> <th colspan="3">Class of Employees</th> </tr> <tr> <th>Executive and Research</th> <th colspan="2">All Other Employees</th> </tr> <tr> <th>Number of:</th> <th colspan="2">Number of:</th> </tr> <tr> <th>Full-Time</th> <th>Part-Time</th> <th>Part-Time</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Class of Employees			Executive and Research	All Other Employees		Number of:	Number of:		Full-Time	Part-Time	Part-Time			
Class of Employees																
Executive and Research	All Other Employees															
Number of:	Number of:															
Full-Time	Part-Time	Part-Time														

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ITEM 51. Policy with respect to Trading in Securities by Certain Affiliated Persons of Registrant or of its Investment Adviser: a. State whether the registrant has a code of ethics or other policy, whether written or informal, with respect to trading in securities (other than in securities issued by the registrant) by its directors, officers, or employees, or members of any advisory board or committee of the registrant. (yes or no) b. If the answer to a. is "yes," state whether the registrant undertakes affirmatively to monitor or enforce such code or policy. (yes or no) c. State whether the investment adviser of the registrant, or any company which regularly furnished investment advice to the registrant or its investment adviser at cost has a code of ethics or other policy, whether written or informal, with respect to trading in securities (other than securities issued by the registrant) by its directors, officers, or employees. (yes or no) d. If the answer to c. is "yes," state whether the investment adviser of the registrant, or such other company, undertakes affirmatively to monitor or enforce such code or policy. (yes or no)																											
ITEM 52. Senior Securities of Registrant and Applicable Asset Coverages: <table border="1"> <thead> <tr> <th>Title of Class</th> <th>Amount Outstanding, Excluding Treasury Securities</th> </tr> </thead> <tbody> <tr> <td>a. Indebtedness (including bank loans):</td> <td></td> </tr> <tr> <td>1. Bank Loans</td> <td>\$</td> </tr> <tr> <td>2.</td> <td>\$</td> </tr> <tr> <td>3.</td> <td>\$</td> </tr> <tr> <td>4. Total Indebtedness</td> <td>\$</td> </tr> <tr> <td>5. Percent asset coverage for total indebtedness</td> <td>\$</td> </tr> <tr> <td>b. Stock (senior security):</td> <td></td> </tr> <tr> <td>1.</td> <td>\$</td> </tr> <tr> <td>2.</td> <td>\$</td> </tr> <tr> <td>3.</td> <td>\$</td> </tr> <tr> <td>4. Total senior securities representing stock</td> <td>\$</td> </tr> <tr> <td>5. Percent asset coverage for senior securities representing stock</td> <td>\$</td> </tr> </tbody> </table>		Title of Class	Amount Outstanding, Excluding Treasury Securities	a. Indebtedness (including bank loans):		1. Bank Loans	\$	2.	\$	3.	\$	4. Total Indebtedness	\$	5. Percent asset coverage for total indebtedness	\$	b. Stock (senior security):		1.	\$	2.	\$	3.	\$	4. Total senior securities representing stock	\$	5. Percent asset coverage for senior securities representing stock	\$
Title of Class	Amount Outstanding, Excluding Treasury Securities																										
a. Indebtedness (including bank loans):																											
1. Bank Loans	\$																										
2.	\$																										
3.	\$																										
4. Total Indebtedness	\$																										
5. Percent asset coverage for total indebtedness	\$																										
b. Stock (senior security):																											
1.	\$																										
2.	\$																										
3.	\$																										
4. Total senior securities representing stock	\$																										
5. Percent asset coverage for senior securities representing stock	\$																										
ITEM 53. Issuance of Securities Other than for Cash or Securities: State whether registrant issued any of its securities: (1) for services (2) for property other than cash or securities (including securities of which registrant is the issuer), except as a dividend or distribution to its security holders or in connection with a reorganization. (yes or no)																											
ITEM 54. Registration of Securities: State whether all securities issued by registrant, other than shares issued as stock dividends or stock splits or through reinvestment of dividends or distributions without the imposition of a sales load, were registered under the Securities Act of 1933. (yes or no)																											

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ITEM 61. Time Lapse between Sale of Shares of, and Receipt of Proceeds by, Registrant; Loss on Cancellation of Orders:

a. State registrant's practice in terms of the maximum number of business days permitted between sale date of registrant's shares and the date such sale is cancelled for nonpayment (number)

b. If at the end of any month during the fiscal year there were outstanding transactions for sales of registrant's shares for which the proceeds had not been received by registrant for a period of more than 10 business days from the date of sale of such shares, furnish the following information:

Month and Year (e.g., 4-72)	Total Sales during Month (dollars) (A)	Total Sales (dollars) (B)	Less by business days unsettled (dollars) (C)	Less by business days unsettled (dollars) (D)	Less by business days unsettled (dollars) (E)	Less by business days unsettled (dollars) (F)	Less by business days unsettled (dollars) (G)	Less by business days unsettled (dollars) (H)	Less by business days unsettled (dollars) (I)
1st									
2nd									
3rd									
4th									
5th									
6th									
7th									
8th									
9th									
10th									
11th									
12th									

c. Set forth any loss sustained by registrant on the sale, redemption, or repurchase of its shares by reason of a change in the net asset value of such shares between the date of sale, redemption, or repurchase and date of cancellation thereof:

Number of transactions	Number of shares	Total dollar amount (at net asset value)	Total losses sustained	Set forth any gains resulting from cancellations which were offset against any of the above losses by a principal underwriter or other person in reimbursing registrant for losses
1.				
2.				
3.				
4.				
5.				

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ITEM 62. Suspension of Right of Redemption; Delay in Payment upon Repurchase:

a. Number of registrant's shares tendered for redemption where the right of redemption was suspended or the date of payment or satisfaction upon redemption was postponed or delayed for more than 7 calendar days after tender of such shares in good order to registrant or its designated agent:

Calendar days elapsed:

1. 8 but less than 15
2. 15 but less than 22
3. 22 or more

b. Number of registrant's shares repurchased where registrant or its designated agent made payment for such shares more than 7 calendar days after tender and receipt of such shares for repurchase:

Calendar days elapsed:

1. 8 but less than 15
2. 15 but less than 22
3. 22 or more

c. If at the end of any month during the fiscal year there were any outstanding orders for repurchase of registrant's shares which were received by registrant or its designated repurchase agent from a broker-dealer more than 10 business days earlier, furnish the information required by the following table:

Month and Year (e.g., 4-72)	Total Repurchases during Month (dollars) (A)	Total Repurchases (dollars) (B)	Less by business days unsettled since receipt of order (dollars) (C)	Less by business days unsettled since receipt of order (dollars) (D)	Less by business days unsettled since receipt of order (dollars) (E)	Less by business days unsettled since receipt of order (dollars) (F)	Less by business days unsettled since receipt of order (dollars) (G)	Less by business days unsettled since receipt of order (dollars) (H)	Less by business days unsettled since receipt of order (dollars) (I)
1st									
2nd									
3rd									
4th									
5th									
6th									
7th									
8th									
9th									
10th									
11th									
12th									

ITEM 63. Pricing of Registrant's Shares for Distribution, Redemption and Repurchase:

State whether registrant, any person designated in registrant's prospectus as authorized to consummate transactions in registrant's shares, or any principal underwriter of or dealer in registrant's shares, sold, redeemed, or repurchased any redeemable security of registrant except at a price based on the current net asset value of such security which was next computed after receipt of a tender of such security for redemption or of an order to purchase or sell such security.

ITEM 64. Exchange Offers Made to Shareholders of Registrant or of Any Other Open-End Company:

a. State whether during the fiscal year the registrant, or any principal underwriter thereof, made or caused to be made an offer to the holder of a security of the registrant or of any other open-end investment company to exchange his security for a security in the same or another open-end investment company on any basis other than the relative net asset values of the respective securities to be exchanged (yes or no)

b. State whether during the fiscal year the registrant, or any principal underwriter thereof, made or caused to be made an offer of exchange of any security of a registered open-end company, including a security of the registrant, for a security of a registered unit investment trust or registered face-amount certificate company, irrespective of the basis of exchange (yes or no)

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ITEM 65. Variations in Sales Load:
State whether the public offering prices of registrant's shares were determined on a basis which resulted in any variations in sales load other than as permitted by the rules under Section 22(d) of the Act: (yes or no) _____

ITEM 66. Sales Load and Distribution Information:
a. Compensation of principal underwriters received directly or indirectly from registrant:

Name of Principal Underwriter	Net Underwriting Discounts and Commissions Deducted from Offering Price at Time of Sale	Compensation or Profit on Redemption and Repurchases	Gross Brokerage Commissions	Other Compensation
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
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16.				
17.				
18.				
19.				
20.				

b. Total sales load on sales of shares of any associated registered investment company:

1. Net amount retained by registrant's principal underwriter or by any affiliated or principal underwriter thereof: _____
2. Paid to dealers: _____
3. Paid to retail sales force of registrant's principal underwriter or of any affiliated principal underwriter thereof: _____
4. Total sales load: _____
5. Compensation, other than sales load or investment advisory fees, received by registrant's principal underwriter, or by any affiliated principal underwriter thereof, from all associated registered investment companies: _____

c. Sales load on sales of shares as percent of public offering price:

Step	Percent Sales Load (A)	Purchases at Offering Price (thousands of dollars) (B)	Percent Dealer Discount (D)
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
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19.			
20.			

d. If any premium over net asset value is charged by registrant upon the sale of its shares, state as a percent of net asset value: _____

e. If any discount from net asset value is charged upon redemption or repurchase of registrant's shares, state as a percent of net asset value or, if a fixed fee, the dollar amount of such fee: _____

f. Approximate percent of shares sold to the public:

1. Through dealers: _____
2. Through a retail sales staff of the principal underwriter or of a subsidiary (other than sales under 1.): _____
3. Only by registrant: _____
4. Through voluntary accumulation plans: _____
5. Other: _____

g. State whether share purchases can be accumulated by investors in general to obtain quantity discounts: _____ (yes or no)

h. If above answer is yes, state whether:

1. It is permitted for a limited period under letters of intent: _____ (yes or no)
2. Accumulation of purchases for an indefinite period is permitted for this purpose: _____ (yes or no)

i. State whether a sales load is charged on reinvestment of dividends from investment income: _____ (yes or no)

j. State whether a sales load is charged on the reinvestment of capital gains distributions: _____ (yes or no)

ITEM 67. Entry into or Renewal of Principal Underwriting Contract:

a. If during the fiscal year registrant entered into a principal underwriting contract, state whether such action included the vote of a majority of the directors of registrant who were not parties to the contract or interested persons of any such party, cast in favor of such action, in person, at a meeting called for the purpose of voting on such renewal which was held within a period of not more than two years from the date of execution of the contract or not more than one year from the effective date of the previous renewal of the contract: _____ (yes or no)

b. If during the fiscal year registrant's board of directors voted to enter into or renew a principal underwriting contract, state the number of directors, if any, who voted against the action: _____ (number)

c. If during the fiscal year the registrant entered into or renewed a principal underwriting contract, state the beginning and ending dates of the period for which such contract was executed or renewed: _____ (dates)

ITEM 68. Other Payments by Registrant to Underwriters or Dealers:
State whether during the fiscal year any payments were made by the registrant to an underwriter or dealer in registrant's shares other than (a) payments made through deduction from the offering price at the time of sale of securities issued by registrant, (b) payments representing the purchase price of portfolio securities acquired by the registrant, (c) commissions on the purchase or sale of portfolio securities by the registrant, or (d) payments for investment advisory services pursuant to an investment advisory contract: _____ (yes or no)

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ITEM 65. Variations in Sales Load:
State whether the public offering prices of registrant's shares were determined on a basis which resulted in any variations in sales load other than as permitted by the rules under Section 22(d) of the Act: (yes or no) _____

ITEM 66. Sales Load and Distribution Information:
a. Compensation of principal underwriters received directly or indirectly from registrant:

Name of Principal Underwriter	Net Underwriting Discounts and Commissions Deducted from Offering Price at Time of Sale	Compensation or Profit on Redemption and Repurchases	Gross Brokerage Commissions	Other Compensation
1.				
2.				
3.				
4.				
5.				
6.				
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9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				

b. Total sales load on sales of shares of any associated registered investment company:

1. Net amount retained by registrant's principal underwriter or by any affiliated or principal underwriter thereof: _____
2. Paid to dealers: _____
3. Paid to retail sales force of registrant's principal underwriter or of any affiliated principal underwriter thereof: _____
4. Total sales load: _____
5. Compensation, other than sales load or investment advisory fees, received by registrant's principal underwriter, or by any affiliated principal underwriter thereof, from all associated registered investment companies: _____

c. Sales load on sales of shares as percent of public offering price:

Step	Percent Sales Load (A)	Purchases at Offering Price (thousands of dollars) (B)	Percent Dealer Discount (D)
1.			
2.			
3.			
4.			
5.			
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PROPOSED RULES

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ITEM 69. Ten Dealers Selling Largest Dollar Amounts of Registrant's Shares:

[illegible]

Note: Pursuant to Rule 45a-1(b) under the Act, the information required by this item shall be filed in quadruplicate with the Commission by enclosing it in a separate envelope marked "Confidential Treatment" and addressed to the Chairman, Securities and Exchange Commission, Washington, D. C. 20549. This item has been placed on a separate page so that it may be detached from the form and filed as required by the rule. Registrant's name and principal business address must be furnished in the space provided below.

Name:

Address:

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ITEM 70. Direct or Indirect Interest which Certain Affiliated Persons of Registrant's Principal Underwriter Had during the Fiscal Year in:

[illegible]

GENERAL INSTRUCTIONS

A. Rule as to Use of Form N-12.

Form N-12 shall be used for annual reports pursuant to Section 30 of the Investment Company Act of 1940 ("Act") and Section 13 or 15(d) of the Securities Exchange Act of 1934 by all open-end and closed-end management investment companies, except small business investment companies.

Under Section 30(a) of the Act and the rules and regulations thereunder, the Commission is authorized to solicit the information required by Form N-12 from investment companies registered under the Act. Disclosure of the information specified on Form N-12 is mandatory, except social security numbers, disclosure of which is voluntary. The information will be used for the principal purpose of determining whether a registrant has complied with the provisions of the Act for the fiscal year preceding the filing of the form. Social security numbers, if furnished, will assist the Commission in accurately identifying individuals associated with a registrant and, therefore, aid in promptly determining whether compliance problems exist. Information supplied on Form N-12 will be included routinely in the public files of the Commission and will be available for inspection by any interested person. Only the information filed in response to Item 63 will remain confidential pursuant to Rule 45a-1 under the Act.

B. Application of General Rules and Regulations.

(1) The General Rules and Regulations under the Act contain certain general requirements which are applicable to reporting on any form. These general requirements should be carefully read and observed in the preparation and filing of reports on Form N-12 except that any provision in Form N-12 or in these instructions covering the same subject matter as any requirement in the rules and regulations under the Act shall be controlling.

(2) Eight complete copies of Form N-12, including all exhibits, papers, and documents shall be filed with the Commission. At least one copy shall be filed with each exchange, if any, on which a security of the registrant is registered. At least one of the copies filed with the Commission and one filed with each such exchange shall be manually signed. Unsigned copies shall be conformed.

C. Material Comprising Annual Report.

The annual report shall consist of the facing sheet, the list of exhibits required by General Instruction E. (1), the information required by the items of the form, any exhibits

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

INSTRUCTION BOOK
FORM N-12ANNUAL REPORT OF REGISTERED OPEN-END AND CLOSED-END MANAGEMENT
INVESTMENT COMPANIES UNDER THE INVESTMENT COMPANY ACT OF 1940
AND SECURITIES EXCHANGE ACT OF 1934

RETAIN FOR FUTURE REFERENCE

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(8) Items 1 through 54 and 72 are to be completed by all registrants. Items 55 through 58 are to be completed only by closed-end companies. Items 59 through 71 are to be completed only by open-end companies. Those pages of Form N-12 containing items which are inapplicable to a particular registrant because of its classification as closed-end or open-end should be detached and not filed as part of the annual report.

(9) If the registrant wishes to supplement any answer to an item with any relevant statement or explanation, registrant may do so by exhibit.

E. Exhibits.

(1) Each copy of the annual report shall contain a list of exhibits immediately following the facing page which identifies by item number and caption each response for which an exhibit is attached and which specifies the page number of the filing on which each such exhibit is located.

(2) With respect to any exhibit required to be filed, registrant may incorporate by reference any information contained in any registration statement, report, or other document previously filed with the Commission by reference to the specific filing and page number which contains such information. Incorporation by reference is restricted to exhibits only.

(3) Exhibits to any items shall be on paper meeting the requirements of Rule 8b-12 under the Act. Corresponding item numbers must precede each exhibit filed.

F. Definitions

Unless the context clearly indicates the contrary, terms used in Form N-12 have meanings as defined in the Investment Company Act of 1940 and the rules and regulations issued thereunder. In this connection, specific attention is called to the definition of "director" contained in Section 2(a)(12) of the Act as including, among others, any natural person who is a member of a board of trustees of a management company created as a common-law trust.

In addition, the following definitions apply:

Act: The term "Act" means the Investment Company Act of 1940.

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Including any documents which are required or which registrant may file as a part of the annual report, the required signatures, the opinion of independent public accountant, and financials, if any.

Rule 30a-1 under the Act requires a \$250 fee be paid to the Commission at the time of filing each annual report.

D. Preparation of Form N-12.

(1) Form N-12 is to be used as a blank form to be filled in by the registrant. Exact copies may be duplicated by the registrant for this purpose, or copies will be furnished by the Commission upon request. Copies duplicated shall be on good quality unglazed, white paper 8-1/2 x 11 inches in size, with approximately a 5/8-inch left-hand margin.

(2) Except as otherwise stated, the information required by any item shall be given as of the end of the registrant's fiscal year, or as of the latest practicable date subsequent thereto, which date shall be stated in the answer to the item.

(3) All applicable items of the form except social security numbers must be answered in full. If any item is inapplicable to the registrant, it shall be answered by inserting in the space provided for the answer the word "INAPPLICABLE" or, where such space is limited, the abbreviation "INAP."

(4) No item of the form shall be answered by incorporating any information by reference except as provided in General Instructions E. (2) below or as specifically permitted by the instructions to individual items.

(5) Dollar amounts, except per share amounts, shall be rounded to the nearest dollar. Number of shares or other units of securities shall be stated in the nearest full share or other unit. Calculated percentages shall be carried to two decimal places.

(6) Information with respect to IES employer identification numbers and CUSIP numbers shall be furnished if known to the registrant.

(7) Where an item or an instruction uses the phrase "to the knowledge of the registrant," "if known to the registrant," or other similar phrase, it shall be incumbent upon the registrant to make all reasonable efforts to obtain the required information.

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Registrants answering "yes" to subsection d.(1) must meet all the provisions of Section 10(d)(1)-(8) of the Act applicable to a company charging no sales load on the issuance of its securities.

A multiple series fund is a company which has outstanding classes or series of shares meeting the requirements of Section 18(f)(2) of the Act.

A dual purpose company is one which has issued and outstanding both income and capital shares.

ITEM 2. Diversification of Assets

Subsections a. and b. apply only to diversified companies.

For purposes of subsection a.(1), Section 5(b)(1) of the Act defines "other securities" as being limited in respect of any one issuer to an amount not greater in value than 5% of the value of the total assets of the registrant and to not more than 10% of the outstanding voting securities of such issuer. The entire value of issues representing more than five percent of the value of registrant's total assets is excluded from "other securities as defined by Section 5(b)(1) of the Act."

For purposes of subsection b., "more than 5% of its total assets" means more than 5% of registrant's total assets in all classes of a company's securities.

ITEM 3. Condensed Financial Information

The term "operating expenses" as used in subsections a., b., and c. includes the expenses described at captions 2 and 3 of Rule 6-04(o) of Regulation S-K.

With respect to companies having senior securities outstanding, the ratios required by subsections b. and c. may, in the case of open-end companies, and shall, in the case of closed-end companies, be computed on the basis of average net assets determined before deduction of senior securities; and the ratio required by subsection c. may, in the case of open-end companies, and shall, in the case of closed-end companies, be computed on the basis of net income on common stock adjusted to add back interest on any debt securities (net of any income tax effect thereof) plus dividends on any preferred stock.

The term "total investment income," as used in subsections a. and d., does not include equalization adjustments.

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Control: The term "control" means (a) the beneficial ownership, either directly or through one or more controlled companies, of more than 25 percent of the voting securities of a company; (b) the acknowledgment or assertion by the registrant of the existence of control; or (c) an adjudication under Section 2(a)(9) of the Act, which has become final, that control exists.

Fiscal Year: The term "fiscal year" means the fiscal year of the Registrant covered by the report.

Investment Adviser: The term "investment adviser," as used herein, shall be defined as in Section 2(a)(20) of the Act and the applicable rules and regulations thereunder, except that, for the purposes of answering the items of the form, the term shall also be deemed to include a corporate trustee rendering any services to the registrant of an investment advisory nature.

Officer: The term "officer" means a president, vice-president, treasurer, secretary, controller, and any other person who performs for an organization, whether incorporated or unincorporated, functions corresponding to those of a policy-making nature performed by the foregoing officers.

Registrant: The term "registrant" means the management investment company filing this annual report or on whose behalf the report is filed.

Subsidiary: The term "subsidiary" shall be defined as in Rule 1-02 of Regulation S-K promulgated by the Commission.

INSTRUCTIONS TO SPECIFIC ITEMS

ITEM 1. Classifications

The term "value" as used in subsection a. and elsewhere in the form is defined in Section 2(a)(41) of the Act. Registrants should note Rules 2a-1, 2a-2, and 2a-4 under the Act which also deal with valuation procedures.

The term "average net assets," as used in subsections b., c., and g., shall be computed upon the basis of the value of the net assets determined no less frequently than as of the end of each month, except that the average value of securities for which market quotations are not available may be based upon the value of such securities as of the end of the preceding fiscal quarter.

For open-end companies having continuous transactions in their own shares, the amount to be shown in subsection f. is derived by adding to, or deducting from, dividends paid from net income for the year the increase or decrease in undistributed net income for the year.

The amount to be shown in subsection i., while mathematically determinable by summation of amounts computed for as many periods during the year as shares were sold or repurchased (which could be as often as twice daily), is also the balancing figure derived from the figures in the statement and may be so computed. The amount shown in this subsection may not accord with the change in the aggregate gains and losses in the portfolio securities for the year because of the timing of sales and repurchases of registrant's shares in relation to fluctuating market values for the portfolio.

If any distributions were made from capital sources other than capital gains, change subsection j. to "distributions from realized capital gains and other sources" and in an exhibit to the item indicate the amounts and nature of distributions from such other sources. Distributions not exceeding the capital gains computed on the federal tax basis may be treated as distributions from capital gains for purposes of the item, even though they exceed capital gains on a book basis.

ITEM 4. Board of Directors Meetings

An interested director shall mean any director of the registrant who is an "interested person" of the registrant as defined in Section 2(a)(19)(A) of the Act. A non-interested director of the registrant shall mean any director of the registrant other than an interested director as defined in Section 2(a)(19)(A) of the Act.

ITEM 5. Directors, Officers, and Members of Advisory Board

The percentages stated in subsections a. through f. are applicable to all times during the fiscal year except such periods of suspension as are permitted by the provisions of Section 10(e) of the Act.

If registrant is an unincorporated company not having a board of directors, this item shall apply to the board of directors of the depositor of registrant and, except in the case of subsection a., to the board of directors of every investment adviser of registrant.

The percentages stated in subsections a., c., and f. are not applicable to a no-load, open-end company meeting the provisions of Section 10(d) of the Act.

Section 2(a)(1) of the Act defines the term "advisory board" for purposes of this item.

NOTE: If the answer to any subsection of this item is "yes," attach as an exhibit a statement explaining such answer and citing any order or other document exempting or excepting the registrant from the provisions of Section 10 of the Act.

ITEM 6. Vacancies on Board of Directors

This item shall not apply to a registrant if it is a common law trust existing on the date of enactment of the Act under an indenture of trust which does not provide for the election of trustees by the shareholders.

ITEM 7. Indemnification of Directors and Officers

The term "person" is defined by Section 2(a)(28) of the Act and includes, for purposes of this item, any officer or director of the registrant and any former officer or director of the registrant.

NOTE: If indemnity payments were made, describe in an exhibit the facts necessitating such payments, including the provisions of any applicable indemnification agreement and the name, position, and amount paid on behalf of each such person.

ITEM 8. Indebtedness of Officers and Certain Non-Interested Directors to Certain Other Persons

NOTE: If the answer to this item is "yes," furnish as an exhibit the following information: (1) the name of the person to whom the officer or director was so indebted; (2) the largest aggregate amount of indebtedness to each such person at any time during the fiscal year and the amount of indebtedness outstanding at the end of the fiscal year; and (3) the rate of interest paid or charged thereon.

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ITEM 9. Business or Professional Relationships of Non-Interested Directors with Registrant or with Certain Other Persons

The relationships included within this item are those which existed or occurred at any time during the registrant's last two fiscal years with persons holding the positions specified in subsections a. through d. even though such persons did not occupy those positions listed for the entire two-year period.

For purposes of subsections a. and b., any relationship existing solely by reason of any or all of the following need not be reported: membership on the board of directors of the registrant or of any other investment company having the same investment adviser or principal underwriter as the registrant, or the ownership of less than 5% of the voting securities of the registrant or of any securities having a value of less than \$5,000 of such other investment company.

This item also does not apply to transactions not involving remuneration for services where the aggregate amount did not exceed \$5,000 not with respect to any individual transaction involving remuneration for services where the remuneration did not exceed \$1,000.

NOTE: If the answer to any subsection of this item is "yes," describe in an exhibit the nature and extent of each such business or professional relationship. A description of any relationship furnished in the answer to any other item of this form, including transactions or indebtedness of directors described in answer to Items 8 or 10, need not be furnished here provided an appropriate statement of cross-reference is made.

ITEM 10. Transactions between Officers or Certain Non-Interested Directors of Registrant and Certain Other Persons

This item is inapplicable to the following transactions: (i) transactions in the ordinary course of business with a broker or dealer, normal commercial or investment banking transactions, legal, accounting or auditing services; (ii) services solely as a director, officer or employee; (iii) sales and purchases of merchandise, leases and services incident

thereto made or entered into in the ordinary course of business; or (iv) transactions not involving remuneration for services where the aggregate amount paid did not exceed \$5,000, not with respect to any individual transaction involving remuneration for services where the remuneration did not exceed \$1,000. Also do not report any information on transactions involving private advisory accounts.

NOTE: If the answer to this item is "yes," describe in an exhibit each such transaction including the name of each person involved and the nature of his interest and the nature of the relationship by reason of which such interest is described. As to any transaction involving the purchase or sale of assets, state the cost of the assets to the purchaser and the cost thereof to the seller if the seller was such director, officer, or other corporation or organization, and such assets were acquired by the seller within two years prior to the transaction. If the interest of any person arises from the position of such person as a partner in a partnership, only the amount involved in the transaction with the partnership need be stated.

ITEM 11. Remuneration Received by Registrant's Directors, Officers, and Advisory Board Members

This item applies to any individual who was a director, officer, or member of the advisory board of the registrant at any time during the fiscal year. However, information need not be given for any portion of the year during which any such individual did not occupy one of the positions indicated.

The phrase "each person" as used in subsection a., column (c), and subsections b., c., and d., column (A), includes all of the following: (i) the registrant and its subsidiaries; (ii) any other registered investment company (and its subsidiaries) which retains as its investment adviser or principal underwriter the same person, or affiliated person thereof, as retained by the registrant; (iii) any other registered investment company (and its subsidiaries) which owns an interest in a company which regularly furnished advice to the registrant as to the investment adviser of the registrant with respect to the desirability of the registrant's investing in, purchasing, or selling securities or other property, or was empowered to determine what securities or other property should be purchased or sold by the registrant; (iv) a company of the character described in clause (iii) above; and (v) any investment adviser, principal underwriter,

or broker of the character described below. For purposes of clause (v) include any investment adviser, principal underwriter, or broker only if, for the most recent fiscal year of such person ending at least 60 days prior to the last date on which this report is required to be filed, the gross income received by such person in any capacity from the investment companies and subsidiaries specified in clauses (ii) and (iii) above, exceeded 5% of the aggregate gross income of such investment adviser, principal underwriter, or broker, as the case may be, from all sources during the fiscal year. With respect to a principal underwriter, net underwriting discounts and commissions retained by a principal underwriter from the sale of shares of a registered investment company shall be deemed to be received from such registered company. Gross income from all sources other than profit or loss from transactions in securities and commodities for the firm's investment account also should be included.

In column (A) of subsection a. indicate capacities by use of the following symbols: D-Director, O-Officer, A-Advisory board member, and E-Employee; also indicate the person for whom the compensation generating activities were received by designating the appropriate clause number of the second paragraph of these instructions. For example, if an officer of the registrant was also a director and any employee of a fund in a complex which retains the same investment adviser as registrant, the symbols DE (ii) should be placed in column (A).

"Remuneration" as used in this item includes salaries, dividends, or other compensation received by the individuals or groups specified in the item from the persons listed in clause (i) through (v) of paragraph 2 above. If the investment adviser, principal underwriter, or broker is a partnership, include as remuneration partners' withdrawals or any portion of the partnership's net income applicable to the interests of partners to the extent such amounts represent substantially the equivalent of salaries or other compensation. In determining the equivalence, give due consideration to the rates of salaries or other compensation paid to officers or other policy-making employees by an investment adviser, principal underwriter, or broker, as the case may be, similarly situated but doing business as a corporation.

Remuneration amounts should be reported on an accrual basis if practicable.

Column (B) of subsection d. need not be answered with respect to payments computed on an actuarial basis pursuant to any plan which provides for fixed benefits in the event of retirement at a specified age or after a specified number of years of service.

ITEM 12. Remuneration of Certain Affiliated Persons Acting as Agent in Property Transactions or as Broker in Securities Transactions

NOTE: If the answer to any subsection is "yes," cite in an exhibit the order or orders of the Commission permitting such compensation; if the compensation was not so permitted cite the rule under which an exclusion is claimed and furnish the following information: (1) a description of each such transaction, (2) the amount and basis of the compensation, and (3) the name of the affiliated person, or of the affiliated person of such person, and the basis of the affiliation.

ITEM 13. Transactions between Registrant or Controlled Company and Affiliated or Certain Other Persons

Subsection b. is not applicable to advances to personnel to cover reimbursable expenses which were duly accounted for, nor is it applicable to situations where the borrower was controlled by the lender.

Subsection c. is not applicable to any loan by the registrant to a company which owned all of the outstanding securities of the registrant, except director's qualifying shares.

NOTE: If the answer to any subsection is "yes," cite in an exhibit the order or orders. If any, of the Commission exempting each such transaction from the applicable provisions of the Act; if any transaction was not so exempted, cite the rule or other regulation under the Act pursuant to which exclusion is claimed and furnish the following information: (1) a description of each such transaction, (2) the identity of the persons involved, and (3) the nature of the affiliation with the registrant or controlled company. In addition, registrant shall describe in an exhibit the method, if any, which it employs to determine annually, so far as practicable, the identities of all persons who are affiliated persons of the registrant, or affiliated persons of such persons or of any promoter or principal underwriter for the registrant.

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auditing services; (ii) services solely as a director, officer, or employee; (iii) sales and purchases of merchandise, leases and services incident thereto made or entered into in the ordinary course of business; or (iv) transactions not involving remuneration for services where the aggregate amount did not exceed \$5,000, nor with respect to any individual transaction involving remuneration for services where the remuneration did not exceed \$1,000.

NOTE: If the answer to this item is "yes," describe in an exhibit each such transaction including the name of each person involved and the nature of his interest and the nature of the relationship by reason of which such interest is described. As to any transaction involving the purchase or sale of assets, state the cost of the assets to the purchaser and the cost thereof to the seller if the seller was such director, officer, or other corporation or organization, and whether such assets were acquired by the seller within two years prior to the transaction. If the interest of any person arises from the positions of such person as a partner in a partnership, only the amount involved in the transaction with the partnership need be stated.

ITEM 16. Direct or Indirect Ownership Interest which Certain Affiliated Persons of the Registrant had during the Fiscal Year in Registrant's Investment Adviser, Principal Underwriter, or Certain Brokers or Dealers

The term "affiliated person" as used in this item means each director, officer, member of any advisory board or committee, any person who owns or is known by the registrant to own beneficially 5% or more of the outstanding voting securities, and each partner, of the registrant.

At caption (1) of subsections a. and b. and at captions (1)-(5) of subsection c. insert the name of the firm in which the interest was held and, if such interest was indirect, the name of the firm in which the direct interest was held and the pertinent relationship between the two. If the investment adviser and principal underwriter are the same entity, so state under subsection b. in lieu of repeating any information.

The brokers or dealers referred to in subsection c. include (1) any broker among the 10 brokers listed in Item 34 of this report as having received the greatest dollar

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ITEM 14. Joint Enterprises Involving Registrant or Controlled Company and Affiliated or Certain Other Persons

NOTE: If the answer to this item is "yes," furnish as an exhibit the following information as to each such joint enterprise: (i) the nature and extent of the participation of (a) any affiliated person of the registrant or a company controlled by it (not including affiliated persons of registrant by reason of Section 2(a)(3)(B) of the Act), (b) any principal underwriter for the registrant, or (c) any affiliated person of the foregoing, except the registrant; (ii) the percentage of assets committed by the registrant or controlled company to the joint enterprise; (iii) the basis of affiliation (including the name of any controlled company, the name of any affiliated company, or the affiliated person of such a company); and (iv) the financial interest of each participant. As to any transaction involving the purchase or sale of securities or other property, state the cost of such property to the registrant or controlled company and to the affiliated company or affiliated person of such company. Where the participants share in the profits of such joint enterprise, state the method for allocating the proceeds and liabilities among the participants, and, where applicable, state the amount of profits (or losses) realized by each participant. No information need be given with respect to joint enterprises not involving remuneration for services not in excess of \$5,000.

The term "joint enterprise" is defined in Rule 170-1(c) of the Act.

ITEM 15. Transactions between Registrant and Certain Affiliated Persons of Directors or Officers of Registrant's Investment Adviser or Principal Underwriter

If the corporation or organization referred to in this item directly or indirectly controlled, was controlled by, or was under common control with, any affiliated person of the registrant or the principal underwriter for the registrant, transactions within this item should have been considered in answering Item 13 above, unless exempted by the provisions of Section 17(a)(1), 17(a)(2) or 17(c) of the Act, in which case such transactions may be ignored.

The following transactions should not be included when answering this item: (i) transactions in the ordinary course of business with a broker or dealer, normal commercial or investment banking transactions, legal, accounting or

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insured bond, attach as an exhibit a list of the other persons named on the bond including their relationship to registrant and the gross assets for each such person as of the end of the most recent fiscal quarter prior to the effective date of the bond or any renewal thereof.

Under the column entitled "Dates in effect" in subsection a. use the symbol "g" if a bond listed was in effect for the entire fiscal year, otherwise specify by number dates, e.g., 4-2-76, that portion of the fiscal year each bond listed was in effect.

ITEM 19. Custody of Securities and Similar Investments

Under the caption "Name of Custodian" insert the name of the bank or banks, exchange member, or registrant, in accordance with the type of custody checked.

ITEM 20. Deposit of Funds in Banks Other than Custodian Banks

NOTE: If the answer to subsection c. is "yes," describe in an exhibit such practice or arrangement.

ITEM 21. Investment Advisory Contract and Fees

Subsection a.: If registrant has more than one investment adviser, set forth in the table the fee rate paid to the adviser receiving the largest fee from registrant. In an exhibit other advisers should be identified and, with respect to each such other adviser, the name, the basis and amount of the fee paid and by whom such fee is paid should be furnished. If the advisory fee is based upon the total assets of an investment company complex, the breakpoints for the entire complex should be given. If the fee is computed under terms of the contract wholly or partly on the basis of the performance of the registrant, do not fill in this subsection, but so indicate in item 21 c. If a single rate is charged, insert "no limit" for the amount. If graduated fee rates are charged, insert the figures in successive spaces, and in the spaces opposite the step numbered 10, insert the final step amount and rate.

Subsection d.: An "associated registered investment company" means any registered investment company which retains as its investment adviser or principal underwriter the same person, or an affiliated person thereof, as retained by the registrant, or which owns an interest in a company in which the registrant also owns an interest and which company regularly

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amount of brokerage commissions by virtue of direct or indirect participation in the purchase or sale of portfolio securities during the fiscal year by the registrant and (2) any broker or dealer among the 10 brokers or dealers listed in item 33 as having engaged as principals in the largest amount of purchases or sales of portfolio securities during the fiscal year by the registrant.

Under the caption "Name of Affiliated Person" insert the name of the holder of the interest. If the holder is an individual, state last, first and middle names. Use two lines if necessary. If more space is required, use additional sheets with the same column headings and captions. List the names of all persons who owned no direct or indirect interest.

Under the column entitled "Relationship Symbol" insert the following symbols as pertinent, to indicate all applicable relationships: R-registrant; I-investment adviser; D-principal underwriter; O-officer; A-advisory board member; S-security holder (5% or more of the outstanding voting securities); P-partner. For example, use "RO" to denote positions with registrant as director and officer.

With respect to columns (A) and (B) insert in the applicable column the following symbols to indicate the class of security held: C-common stock; O-option or warrant; P-preferred stock; D-debt security. Add the symbol V or N to indicate whether the security is voting or non-voting. Where the interest owned was that of a sole proprietorship, that fact shall be designated by the symbol "SP."

ITEM 17. Family Relationships of Certain Affiliated Persons of Registrant

For purposes of this item "immediate family" of a specified person shall include parents, spouse, children, brothers, sisters, spouse of parents, spouse of children, parents of spouse, any relative to whose support the specified person contributes directly or indirectly, and step and adoptive relationships.

NOTE: If the answer to any subsection is "yes," indicate in an exhibit the nature of each such relationship and the names of the individuals involved.

ITEM 18. Fidelity Bonds

In subsection a. indicate the type of bond by use of the following symbols: I-individual; B-blanket; SI-single insured; or JI-joint insured. If the registrant is named on a joint

furnished advice to the registrant or to the investment adviser of the registrant with respect to the desirability of the registrant's investing in, purchasing, or selling securities or other property, or was empowered to determine what securities or other property should be purchased or sold by the registrant and which company furnished such services at cost to one or more registered investment companies including the registrant, insurance companies, or other financial institutions. Information need not be furnished with respect to any associated registered investment company unless an affiliated person of such company was also an affiliated person of the registrant, of the investment adviser of the registrant, or of any investment adviser which was an affiliated person of such investment adviser, or of the principal underwriter for the registrant.

ITEM 22. Entry into or Renewal of Investment Advisory Contract

For purposes of this item, the amendment of an investment advisory contract shall be deemed to constitute an entry into an investment advisory contract.

ITEM 23. Personnel of Each Investment Adviser of Registrant

ITEM 24. Services Supplied by Investment Adviser

NOTE: If the answer to subsection b. is "yes," state in an exhibit the name of the person(s) who supplied or paid for such services, the direct or indirect relationship, if any, of such person(s) with the registrant, its investment adviser, or its principal underwriter, and the actual amount paid or other consideration given, if any, for such services, if known to the registrant.

ITEM 25. Direct or Indirect Ownership Interest Which Certain Affiliated Persons of the Registrant's Investment Adviser Had During the Fiscal Year in Registrant's Investment Adviser, Principal Underwriter, or Certain Brokers or Dealers

The term "affiliated person" as used in this item means each director, officer, member of any advisory board or committee, and person who owns of record or is known by registrant to own beneficially 1% or more of the outstanding voting securities, and each partner, of registrant's investment adviser.

At caption (1) of subsections a. and b. and at captions (1)-(5) of subsection c. insert the name of the firm in which the interest was held and, if such interest is indirect, the

name of the firm in which the direct interest was held and the pertinent relationship between the two. If the investment adviser and principal underwriter are the same entity, so state under subsection b. in lieu of repeating any information.

The brokers or dealers referred to in subsection c. include (1) any broker among the 10 brokers listed in item 34 of this report as having received the greatest dollar amount of brokerage commissions by virtue of direct or indirect participation in the purchase or sale of portfolio securities during the fiscal year by the registrant and (2) any broker or dealer among the 10 brokers or dealers listed in item 33 as having engaged as largest amount of purchases or sales of portfolio securities during the fiscal year by the registrant.

Under the caption "Name of Affiliated Person" insert the name of the holder of the interest. If the holder is an individual, last, first and middle names. Use two lines if necessary. If more space is required, use additional sheets with the same column headings and captions. Omit the names of all persons who owned no direct or indirect interest.

Under the column entitled "Relationship Symbol" insert the following symbols, as pertinent, to indicate all applicable relationships: R-registrant; I-investment adviser; U-principal underwriter; D-director; O-officer; A-advisory board member; S-security holder (5% or more of the outstanding voting securities); P-partner.

With respect to columns (A) and (B) insert in the appropriate column the following symbols to indicate the class of security held: C-common stock; O-option or warrant; P-preferred stock; D-debt security. Add the symbol V or N to indicate whether the security is voting or non-voting, where the interest owned was that of a sole proprietorship, that fact shall be designated by the symbol "SP."

ITEM 26. Other Persons Furnishing Investment Advice

Information need not be considered in responding to this item with respect to any of the following: (i) persons whose advice was furnished to the investment adviser or the registrant solely through uniform publications distributed to subscribers thereof; (ii) persons who furnished the investment adviser or the registrant only with statistical and other factual information, advice regarding economic factors and trends, or advice as to occasional transactions in specific securities, but without

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For the purpose of subsection a., there shall be excluded from both the numerator and the denominator all U. S. Government securities (short-term and long-term) and all other securities, including options, whose maturities at the time of acquisition were one year or less. Purchases shall include any cash paid upon the conversion of one portfolio security into another. Purchases shall also include the cost of rights or warrants purchased. Sales shall include the net proceeds of the sale of rights or warrants. Sales shall also include the net proceeds of redemptions of portfolio securities by call or maturity.

Subsection b.: Common equity portfolio securities shall include all classes of common capital stock, and rights and warrants to purchase the same, owned by the registrant during the fiscal year. The common equity portfolio turnover rate shall be calculated the same way as the total portfolio turnover rate in subsection a., except only common equity portfolio securities shall be used. If a common equity security was acquired by the exercise of a conversion option attaching to a non-common equity security, there shall be included in purchases the market value, as of the date of the exercise, of the security surrendered, plus any cash paid therewith. If one common equity security was exchanged for another by the exercise of a conversion option, there shall be included in purchases any cash paid upon the conversion. Purchases shall also include the costs of rights or warrants purchased. Sales shall include the net proceeds of the sale of rights or warrants.

General: If during the fiscal year the registrant acquired assets of another investment company or of a personal holding company in exchange for its own shares, it shall exclude from purchases the value of securities so acquired, and from all sales of such securities made following a purchase-of-assets transaction to realign the registrant's portfolio. In such event, the registrant shall also make appropriate adjustment in the denominator of the portfolio turnover computation. The registrant shall make appropriate disclosure in an exhibit of such exclusions and adjustments.

Short sales and put and call options, expiring more than one year from date of acquisition, are included in purchases and sales for purposes of this item. A short sale should be treated as an increase in sales and the covering of a short sale should be treated as an increase in purchases.

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generally furnishing advice to them or making recommendations to them regarding the purchase or sale of securities by the registrant; or (iii) a company which furnished the services described in this item at cost to one or more registered investment companies (including the registrant), insurance companies, or other financial institutions.

With respect to subsection b., Item 15 of Form N-1 and Item 16 to Form N-2 request this information.

ITEM 27. Administrative and Other Services

The term "similar services" is not intended to include:

- (1) services performed by any person in the capacity of custodian, transfer agent, or dividend disbursing agent for the registrant; (2) services for which payment is made at a standard rate for mailing proxies or periodic reports to the shareholders of the registrant; or (3) any service for which aggregate payments of less than \$500 were made during the fiscal year. It is also not intended to include services performed by any personnel of the registrant or by a company furnishing such services at cost to one or more registered investment companies, insurance companies, or other financial institutions.

If a single rate is charged, insert "no limit" for the amount in the space labeled "Net Assets" in subsection e. If graduated fee rates are charged, insert the figures in successive spaces, and in the space opposite the step numbered 1., insert the final step amount and rate. Add additional spaces if more are required.

ITEM 28. Portfolio Turnover Rates

Subsection a.: The turnover rate shall be calculated by dividing (A) the lesser of purchases or sales of portfolio securities for the fiscal year by (B) the monthly average of the value of the portfolio securities owned by the registrant during the fiscal year. Such monthly average shall be calculated by totaling the values of the portfolio securities as of the beginning and end of the first month of the fiscal year and as of the end of each of the succeeding eleven months, and dividing the sum by 12, except that the average value of securities for which market quotations are not available may be based upon the value of such securities as of the end of the preceding fiscal quarter.

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ITEM 31. Portfolio Transactions Not Settled by Specified Settlement Dates

Insert, in numerals, the month and year in which a fiscal quarter ended in every space under the caption "Fiscal Quarter Ended." If at the end of any quarter there were no unsettled transactions required to be reported, no information should be provided in any of the other columns.

Transactions reported shall exclude all securities whose maturities at the time of acquisition were one year or less. Total transactions during the quarter shall include all transactions for which the trade date fell within the quarter regardless of when settled. The number of transactions shall be considered the number of separate sales or purchases which were made to fill an order placed with a broker rather than considering the order placed as a single transaction.

Include as unsettled transactions stock splits or stock dividends for which a stock certificate had not been delivered within 10 business days after the required date of issuance, and for the purposes of this tabulation value them at the closing price on that date.

References to various numbers of days elapsed are not intended to indicate accepted standards of business conduct. They are merely convenient number of days for reporting unsettled transactions.

ITEM 32. "Restricted Securities"

For purposes of this item "restricted securities" are securities which at any time during the fiscal year were carried on the books of the registrant as required by Rule 31a-1(b)(2)(ii) under the Act as securities the salability of which was conditioned.

Under the caption "Class of Sec." insert the following symbol to indicate the class of security: C-common; O-option or warrant; P-preferred stock; PT-convertible preferred stock; PA-preferred stock with warrants attached; DT-convertible debt security; or DE-debt security with warrants attached.

Set forth in column (A), as to each security which has been assigned an identification number by the CUSIP Service Bureau of Standard Statistics Company, Inc., the nine-digit CUSIP number of each security, consisting of the six-digit issuer number, the two-digit (or letter) issue number, and the issue (not issuer) check digit.

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ITEM 29. Purchase and Sale Transactions within Six-Month Period

Omit purchases and sales of U. S. Government, state, and municipal obligations (short-term and long-term) and short-term corporate obligations maturing within one year from the date of purchase or sale.

Do not include any transactions relating to convertible securities if the period of time between the original purchase of a convertible security and the ultimate sale of the security into which it was converted exceeded six months, regardless of when the conversion option was exercised. If, however, such period of time did not exceed six months, the transaction should be included. Also, if a convertible security was purchased and sold within a six-month period without an intervening conversion, or if a convertible security was sold and a security of the same class of the same issuer was purchased within a six-month period, the transaction should be included.

If the aggregate dollar amount of the purchases or the aggregate dollar of the sales otherwise reportable was less than the \$50,000 or one-half of one percent of the net asset value of the registrant at the end of the fiscal year, subsections a. and b. may be answered "INAPPLICABLE."

Short sales and option transactions are treated as sales of securities. When a security sold short is closed (through a purchase), a six-month period begins at the date of purchase; if within six months thereafter the same security is purchased or again sold short, it should be listed in this item.

With respect to options, if the clearing corporation of a listed option requires delivery of the underlying security or there is a closing purchase transaction, the writing or purchase of an option on the same underlying security with the same clearing corporation within six months of that delivery or closing purchase transaction would require inclusion in this item.

ITEM 30. Portfolio Trading Practices

A "repurchase agreement" is an arrangement where customers of a bank who have sold securities and who wish to keep the proceeds available for immediate reinvestment and risk no loss on market fluctuations use such proceeds to purchase government securities which the bank agrees to repurchase from them on a given date with interest at an agreed rate generally different from the coupon rate of the government securities.

ITEM 35. Considerations which affected the Participations of Brokers or Dealers in Commissions or Other Compensation Paid on Portfolio Transactions of Registrant

Under subsection f, an "affiliated relationship" is one with registrant, its investment adviser or principal underwriter, or an affiliated person of any of them.

ITEM 36. Participations of Certain Affiliated Brokers or Dealers in Brokerage Commissions on Registrant's Portfolio Transactions and on Portfolio Transactions of any Associated Registered Investment Company

The term "affiliated broker or dealer" means any broker or dealer of which a director, member of any advisory board or advisory committee, any person who owns or is known by registrant to own beneficially 1% or more of the outstanding voting securities, or any partner, of registrant or of its investment adviser or principal underwriter, was an affiliated person.

Include as brokerage commissions the amount of compensation on those principal transactions (i.e., new issues and secondary distributions) where the discount or concession was specified in the prospectus or fixed by the terms of the offering.

Do not include as amounts received by any broker amounts paid by the registrant or an associated registered investment company to such broker if the choice of such broker was not made by the registrant or an associated registered investment company, or an investment adviser or principal underwriter thereof; such amounts should be deemed to be paid by the person selecting the broker receiving such amounts. "Indirect participation" does not include commissions paid to floor brokers.

The term "associated registered investment company" is defined under the instructions for subsection g, to Item 21.

In subsection (2) of this item, insert the name of the associated registered investment company under the caption and enter the names of the affiliated brokers or dealers receiving participations in brokerage commissions paid by such company.

Under subsection a, do not include any securities sold during the fiscal year or any securities determined during the fiscal year by registrant or its counsel no longer to be restricted. Information furnished in response to subsection a, is for quantities of securities still owned at the end of the fiscal year.

In column (E) of subsection b, supply the information requested by inserting "1." to denote a sale through a public offering, "2." to denote a private sale, or "3." to indicate a sale on the open market. If any exemption from registration under the Securities Act of 1933 was claimed for a sale by the registrant, attach an exhibit stating the basis for such exemption.

If any securities fall under both subsections b. and c., they should be listed under both subsections. In column (2) of subsection c., if any security was sold during the fiscal year, insert the sale price (in line of the value at the end of the fiscal year) and the date of sale, e.g., 6-18-76.

ITEM 33. Portfolio Transactions by Registrant with Brokers and Dealers Acting as Principals

Under the name of the broker or dealer set forth the names arranged in order of the total amount of transactions by registrant with each broker or dealer from the highest to the lowest amounts. For the purpose of this item, the registrant may, but need not, consider principal transactions in which the discount or concession to a broker or dealer was specified in the prospectus or fixed by the terms of the offering.

ITEM 34. Brokerage Commissions Paid on Portfolio Transactions of Registrant

Include as brokerage commissions the amount of the compensation on those principal transactions (i.e., new issues and secondary distributions) where the discount or concession was specified in the prospectus or fixed by the terms of the offering. Do not include as paid to a broker amounts paid by the registrant to such broker if the choice of such broker is not made by the registrant, its investment adviser or its principal underwriter; such amounts should be deemed to be paid by the person selecting the broker receiving such amounts. For the purpose of this item "indirect participation" does not include commissions paid to floor brokers. Amounts listed under columns (C) and (D) are amounts received from other brokers or dealers at the direction or request of registrant, its investment adviser or its principal underwriter.

ITEM 37. Selection of Brokers or Dealers in Return for Benefits of Other Consideration Provided to Other Persons

The term "other person" as used in this item does not include a company which regularly furnished, at cost, advice to the registrant or to the investment adviser of the registrant with respect to the desirability of the registrant's investing in, purchasing, or selling securities or other property, or was empowered to determine what securities or other property should be purchased or sold by registrant.

NOTE: If the answer is "yes," furnish as an exhibit the following information: (1) the name of each such other person; (2) the nature of any arrangement or practice in this area; (3) the dollar amount of the commissions paid on such order; (4) the nature of the advice, information, benefits or other consideration provided to such other person; and (5) the name of the broker or dealer in each case. If the aggregate amount of the commissions on all such orders placed with any one broker or dealer in return for benefits to any one such other person did not exceed \$500 during the fiscal year, it will not be necessary to furnish the information required by clauses (1), (3) and (4) above; in such event, however, the information furnished under clause (5) shall also state the aggregate amount of such commissions paid to the broker or dealer during the fiscal year and the total number of persons on whose behalf such orders were placed.

ITEM 38. Tax Status

ITEM 39. Underwriting Commitments

ITEM 40. Monthly Sales of Registrant's Shares; Dividends, Capital Gains and Other Distributions

If registrant is a money market fund declaring daily dividends of all its net investment income including realized and unrealized gains and losses on securities, it need not specify in columns (E) and (G) that portion of any monthly distribution which consisted of capital gains.

NOTE: If registrant distributed long-term capital gains more often than once during registrant's taxable year which distribution was not excepted by a rule or order of the Commission, state in an exhibit the reasons for such distributions.

For distributions listed under the caption "Other," state in an exhibit the nature and aggregate amount of each such distribution.

ITEM 41. Solicitation of Proxies

ITEM 42. Confirmations, Share Balance Statements and Other Communications

If registrant acts as its own underwriter or distributor, it must send confirmations of transactions in its shares in order to avoid being deemed an underwriter for purposes of the Act.

NOTE: File as an exhibit a list of all communications sent to shareholders including a statement as to the timing and frequency of each such communication and attach a representative copy of each such communication. For purposes of the exhibit include any communication transmitted to shareholders on a general scale, whether to all or a selected sample of accounts. Do not include communications sent to shareholders on an individual basis in response to individual inquiries.

ITEM 43. Dividends or Distributions Requiring a Written Statement to Stockholders of Registrant

NOTE: File as an exhibit a copy of each written statement which was sent to shareholders during the fiscal year. A "no" answer to this item should be fully explained in an exhibit.

ITEM 44. Purchase of Securities of or Other Interest in an Investment Company, Investment Adviser, Broker, Dealer, Underwriter, or Insurance Company

Transactions in which the registrant or any company controlled by it acquired the assets of another investment company or of a personal holding company in exchange for its own shares are excluded from this item.

NOTE: If the answer is "yes," cite in an exhibit the order or orders, if any, of the Commission exempting such acquisitions from the provisions of the Act, or if such acquisitions were not so exempted: (1) list each such acquisition; (2) show the resultant percentage of outstanding voting stock of, or other proprietary interest in, the issuer held by the registrant and any companies controlled by the registrant; (3) if the security acquired was issued by any

other investment company, show the percentage immediately after each acquisition which (i) the value of the securities of such other investment company that were owned by the registrant and any companies controlled by it bore to the value of the total assets of the registrant, and (ii) the value of the securities of all investment companies (other than the registrant) that were owned by the registrant and companies controlled by it bore to the value of the total assets of the registrant, and (4) if the security acquired was issued by a registered closed-end investment company, show the resultant percentage of outstanding voting stock of such company owned in the aggregate by the registrant, companies controlled by it, other investment companies having the same investment adviser, and companies controlled by such investment companies.

If the registrant or any company controlled by it relied upon any of the provisions of Section 12(d) of the Act for an exemption from the prohibitions of such section, or if it relied upon Rule 12b-1 for exemption from any of the prohibitions of Section 12(d)(3), it shall furnish the information required by the above paragraph and state the basis for the claimed exemption or exception. If the registrant or any company controlled by it, however, relied upon an order of the Commission granting an exemption from any of the prohibitions of Section 12(d), or upon a no-action letter from the Commission or its staff, it need only cite the specific order or letter.

ITEM 45. Procedures with Respect to Stated Policies

The term "policies" as used in this item includes the policies recited in Section 8(b)(1) of the Act, all policies which are changeable only if authorized by shareholder vote, all policies which the registrant deems to be fundamental under Sections 8(b)(3) and 13(a)(3) of the Act, and all other policies recited in a registration statement.

NOTE: If the answer to subsection a. is "yes" and the procedures followed during the fiscal year differed from those previously reported or if registrant is filing this report for the first time, attach as an exhibit a description of the procedures followed.

ITEM 46. Purchase of Securities during Underwriting by Affiliated Principal Underwriter

This item does not apply to situations where the registrant in acquiring any security was itself acting as a principal underwriter for the issuer.

NOTE: If the answer is "yes," explain in an exhibit the basis for any claimed exemption from Section 10(f) of the Act and cite the specific rule or order of the Commission relied upon for each exemption. If the registrant claimed exemption from Section 10(f) by virtue of Rule 10f-3 for all transactions for which a "yes" answer was made in the item and filed the statement required by Rule 10f-3(h) for each such transaction, it will be sufficient to state the date when each such statement was filed.

ITEM 47. Selection and Ratification of Accountants and Auditors; Preparation of Financial Statements Filed with the Commission

NOTE: If the answer to either subsection is "yes," identify in an exhibit each such statement and the person certifying or participating as the case may be. If the registrant claims an exemption from the selection requirements of Section 32(a)(1) of the Act by virtue of Rule 32a-1, or if it deems the ratification requirements of Section 32(a)(2) to be not required because of the specific exception contained in such section, registrant shall so state in an exhibit.

ITEM 48. Cross-Ownership and Circular Ownership

Cross-ownership shall be deemed to exist between two companies when each of such companies beneficially owns more than 3% of the outstanding voting securities of the other company. Circular ownership shall be deemed to exist between two companies if such companies are included within a group of three or more companies, each of which (1) beneficially owns more than 3% of the outstanding voting securities of one or more other companies of the group; and (2) has more than 3% of its own outstanding voting securities beneficially owned by another company, or by each of two or more other companies, of the group.

NOTE: If the answer to subsection a. is "yes," describe in an exhibit the circumstances leading to such cross or circular ownership. If the answer to subsection b. is "yes," state in an exhibit what steps were taken to terminate such ownership.

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Under the caption "Amount Outstanding Excluding Treasury Securities" furnish the amount of each class of indebtedness, or total involuntary liquidation preference of each class of stock.

ITEM 53. Issuance of Securities Other than for Cash or Securities

NOTE: If the answer to either subsection is "yes," state in an exhibit the facts surrounding the issuance of such securities.

ITEM 54. Registration of Securities

NOTE: If the answer is "no," indicate in an exhibit the title and quantity of the security issued, the exemption claimed, the facts relied upon to make the exemption available, and the names of the principal underwriters, if any, indicating if any such underwriters which are affiliated persons of, or affiliated persons of affiliated persons of, the registrant.

THE NEXT FOUR ITEMS ARE APPLICABLE TO CLOSED-END COMPANIES ONLY

ITEM 55. Sales, Repurchases, and Redemptions of Securities

This item does not apply to short-term paper or ordinary sinking fund operations, similar periodic decreases made pursuant to the terms of governing instruments, or payment of indebtedness at maturity.

The number of shares under column (A) should be adjusted to reflect any stock dividend or stock split during the year.

For purposes of subsection e, the extension of the maturity date of indebtedness shall be deemed the issuance of new indebtedness.

Redemption as used in subsections d. and f. means redemption at the option of the issuer.

ITEM 56. Distribution of Repurchase of Securities

NOTE: If the answer to subsection a. is "yes," state in an exhibit the facts of each such sale and which of the exceptions, if any, permitted in Section 23(b) of the Act was relied upon. If the answer to subsection b. is "yes," state in an exhibit the facts of each such repurchase. If any

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ITEM 49. Periodic Calculation of Current Net Asset Value Per Share of Registrant's Outstanding Capital Stock

By its terms Rule 2a-4 under the Act applies only to companies issuing redeemable securities (open-end companies); however, the procedures specified by the rule may be equally appropriate for closed-end companies as well. Therefore, if the answer to the item is other than "yes," registrant, whether open-ended or closed-ended, should describe in an exhibit the differences in the procedures utilized to calculate current net asset value and state the reasons therefor.

ITEM 50. Employees of Registrant

A person furnishing advisory services at cost is any person who pursuant to contract regularly furnishes at cost advice to the registrant with respect to desirability of investing in, purchasing or selling securities or other property, or is empowered to determine what securities or other property shall be purchased or sold by the registrant.

ITEM 51. Policy with respect to Trading in Securities by Certain Affiliated Persons of the Registrant or of its Investment Adviser

NOTE: If the answer to subsections a. or c. is "yes," describe in an exhibit the procedures the registrant or the investment adviser or other company, as the case may be, employs to make known the existence of such code or other policy to persons to whom it is applicable. Also attach a copy of each written code or other written statement of policy.

ITEM 52. Senior Securities of Registrant and Applicable Asset Coverages

In response to subsection a. 5, supply a single ratio which the value of the net assets of the registrant, before deducting senior securities, bears to the aggregate amounts of senior securities representing indebtedness as specified in Section 18(h) of the Act.

In response to subsection b. 5, supply a single ratio which the value of the net assets of the registrant bears to the aggregate amounts of senior securities representing indebtedness plus the aggregate of the involuntary liquidation preference of any class of senior security which is a stock as specified in Section 18(h) of the Act.

repurchases were made pursuant to an order of the Commission or pursuant to Rule 23c-1 under the Act, it will be sufficient to cite the order number of the date of the statement filed on Form N-23C-1 pursuant to said rule, whichever is applicable.

ITEM 57. Market Discount or Premium from Net Asset Value

"Market price" for the purposes of this item means the closing sale price if available or the mean between the bid and asked prices if no sales.

ITEM 58. Securities of Registrant Registered on a National Securities Exchange or Listed on NASDAQ

In the column headed "Exchange code" place the appropriate number: 1-American Stock Exchange; 2-New York Stock Exchange; 3-Pacific Stock Exchange; 4-Northeast Stock Exchange; 5-Cincinnati Stock Exchange; 6-Detroit Stock Exchange; 7-Intermountain Stock Exchange; 8-Sparkane Stock Exchange; 9-NASDAQ.

CLOSED-END COMPANIES SHOULD NOW TURN TO PAGE 32 AND ANSWER

ITEM 72, PAGES 24 THROUGH 31 SHOULD BE DISCARDED.

ITEMS 59 THROUGH 71 ARE APPLICABLE ONLY TO OPEN-END COMPANIES

ITEM 59. Sales, Redemptions and Repurchases of Securities

Subsection a.: Shares sold in a public offering shall include shares sold by the registrant to a registered unit investment trust which is the issuer of plan certificates the net proceeds of which are invested in such shares. The number of shares stated in answer to subsections a. 1. and 2. shall reflect any additional or lesser number of shares resulting from a stock split, stock dividend, or reverse split, which change was reflected in an amendment to the registration statement pursuant to Rule 145 under the Securities Act of 1933.

Subsection b.: NOTE: If the answer is "yes," state in an exhibit (1) the date(s) and the number of excess shares, and (2) the circumstances of such sale(s), including whether such excess shares were subsequently registered in accordance with a rule or regulation of the Commission under Section 24(f) of the Act.

Subsections c. and d.: Under the column captioned "2" place the symbol "2" to indicate any estimated amounts of shares or consideration therefor. The number of shares should

be adjusted to reflect any stock split or stock dividend during the fiscal year. The term "exchange" refers to the redemption or repurchase of shares of one fund and the investment of all or part of the proceeds in shares of another fund at net asset value, with or without the payment of a nominal transaction charge. The term "another fund" means an investment company which retains as its investment adviser or principal underwriter the same person, or an affiliated person thereof, as retained by registrant.

ITEM 60. Sale of Securities to Other Investment Companies

Do not report any transaction in which the registrant or a company controlled by it acquired the assets of another investment company or of a personal holding company in exchange for its own shares.

NOTE: If the answer is "yes," cite in an exhibit the order or orders of the Commission exempting such dispositions from the Act, or if any such disposition was not so exempted: (1) list each disposition, and (2) show the resultant percentage of outstanding voting stock of the registrant owned by (i) such other investment company and any companies controlled by it and (ii) all investment companies (other than the registrant) and any companies controlled by them.

If the registrant or any company controlled by it relied upon any of the provisions of Section 12(d) of the Act for an exception from the prohibitions of such section, or if it relied upon Rule 12b-1 for exemption from any of the prohibitions of Section 12(d)(3), it shall furnish the information required by the above instruction and state the specific basis for the claimed exception or exemption.

ITEM 61. Time Lapse between Sale of Shares of, and Receipt of Proceeds by, Registrant; Loss on Cancellation of Orders

In subsection b., insert the month and year, in numerals, in every space in column (A), leave all other columns blank for any month as of the end of which there were no unsettled share sales to report. Total sales during any one month shall include all transactions for which the date of sale fell within the month regardless of when settled. All dollar amounts shall be stated at the net asset value next computed after receipt of the order. References to various numbers of days elapsed are not intended to indicate accepted standards of business conduct. They are merely convenient numbers of days for reporting unsettled transactions.

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For purposes of subsection c., a loss on the sale of shares is defined as any excess of the net asset value at the date of sale over the net asset value at the date of cancellation of the sale. A loss on the redemption or repurchase of shares is defined as any excess of net asset value at the date of cancellation of the redemption or repurchase over the net asset value at the date of redemption or repurchase. In reporting losses in this item, any gains resulting from cancellations (because of changes in net asset value in reverse of those stated above) shall not be offset against such losses. See Investment Company Act Release No. 5365 (March 5, 1971) for a statement of the Commission's views as to the proper disposition of orders for the sale, redemption, or repurchase of shares not honored by investors.

ITEM 62. Suspension of Right of Redemption Delay in Payment upon Repurchase

For purposes of subsection a., the number of shares involved shall mean the number tendered in proper form for redemption (or in cases where certificates were not previously issued, the number for which requests in proper form were received), which were affected by a suspension, postponement or delay of the specified number of days after such tender.

For purposes of subsection b., the number of days for payment upon repurchase shall be computed from the date the registrant (or its agent designated to make payments) received in proper form shares for repurchase, or requests for repurchase where certificates were not previously issued.

In subsection c., insert the month and year, in numerals, in every space in column (A), leave all other columns blank for any month as of the end of which there were no unsettled share repurchases to report. Total repurchases during any one month shall include all transactions for which the date of order for repurchase fell within the month regardless of when settled. All dollar amounts shall be stated at the net asset value next computed after receipt of the order for repurchase.

ITEM 63. Pricing of Registrant's Shares for Distribution, Redemption and Repurchase

For the purposes of this item, the current net asset value of any redeemable security of registrant shall be that computed on each day during which the New York Stock Exchange is open for trading, not less frequently than once daily as of the time of the close of trading on such Exchange.

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NOTE: If the answer is "yes," describe in an exhibit the pricing procedure followed and the reasons therefor, citing any specific exemption order granted by the Commission from the provisions of Rule 22c-1 under the Act.

ITEM 64. Exchange Offers Made to Shareholders of Registrant or of Any Other Open-End Company

An offer by a principal underwriter means an offer communicated to holders of securities of a class or series but does not include an offer made by such principal underwriter to an individual investor in the course of a retail business conducted by such principal underwriter. Net asset value means the net asset value which is in effect for the purpose of determining the price at which the securities, or class or series of securities involved, are offered for sale to the public either (1) at the time of the receipt of the offer or (2) at such later times as specified in the offer.

NOTE: If the answer to either subsection is "yes," cite in an exhibit the order or orders of the Commission approving the terms of each such offer or, if each offer was not so approved, describe such offers including the basis for any claimed exception from the provisions of Sections 11(a) and (c) of the Act.

ITEM 65. Variations in Sales Load

NOTE: If the answer is "yes," cite in an exhibit the order or orders of the Commission exempting any variations or, in the absence of any such orders, state the facts with respect to all non-exempt variations.

ITEM 66. Sales Load and Distribution Information

Subsection a.: Include under the column entitled "other compensation" any compensation received by a principal underwriter in connection with the sale of shares of the registrant which was not deducted from the offering price at the time of sale, and compensation received for keeping registrant's securities outstanding in the hands of the public. Also include under this column remuneration received by a principal underwriter pursuant to an investment advisory contract with the registrant.

Subsection b.: The term "associated registered investment company" is defined in the first sentence of the instructions to subsection g. of Item 21. No information need be furnished

on those principal transactions (i.e., new issues and secondary distributions) where the discount or concession was specified in the prospectus or fixed by the terms of the offering. Do not include as brokerage commissions amounts paid to a dealer by the registrant if the choice of such dealer was not made by the registrant, its investment adviser or its principal underwriter; such amounts should be deemed to be paid by the person selecting the dealer receiving such amounts. The dollar amounts under column (B) should be stated at the net asset value of the shares sold and should not include shares issued upon the reinvestment of dividends. Columns (C) and (D) only apply to amounts received or paid at the direction or request of the registrant, its investment adviser, or its principal underwriter.

NOTE: The answer to this item is subject to confidential treatment pursuant to Rule 45a-1 under the Act. Registrants should follow subsection (b) of Rule 45a-1 when furnishing the information required by this item to the Commission.

ITEM 70. Direct or Indirect Ownership Interest which Certain Affiliated Persons of the Registrant's Principal Underwriter Had during the Fiscal Year in Registrant's Investment Adviser, Principal Underwriter, or Certain Brokers or Dealers

The term "affiliated person" as used in this item means each director, officer, any person who owns of record or is known by registrant to own beneficially 5% or more of the outstanding voting securities, and each partner, of registrant's principal underwriter.

At caption (1) of subsections a. and b. and at captions (1) - (5) of subsection c. insert the name of the firm in which the interest was held and, if such interest was indirect, the name of the firm in which the direct interest was held and the pertinent relationship between the two. If the investment adviser and principal underwriter are the same entity, so state under subsection b. in lieu of repeating the information.

The brokers or dealers referred to in subsection c. include (a) any broker among the 10 brokers listed in Item 34 of this report as having received the greatest dollar amount of brokerage commissions by virtue of direct or indirect participation in the purchase or sale by the registrant of portfolio securities during the fiscal year and (2) any broker

with respect to any associated registered investment company unless an affiliated person of such company was also an affiliated person of the registrant, of the principal underwriter for the registrant (or of any principal underwriter which was an affiliated person of such principal underwriter), or of the investment adviser of the registrant.

Subsection c.: If no sales load is charged, insert "none" in the space opposite Step 1. and leave all other spaces blank. If a single load is charged, insert "no limit" in the first space under column (c). If graduated loads are charged, insert the figures in successive spaces and the final step figures in the last spaces of the table. Under column (D) supply the percent of the dealer discount on regular single purchase sales.

ITEM 67. Entry into or Renewal of Principal Underwriting Contract

For purposes of this item, amendment of an existing principal underwriting contract shall be deemed to constitute an entry into a principal underwriting contract.

ITEM 68. Other Payments by Registrant to Underwriters or Dealers

Any information furnished in the answers to Items 27, 34, 67a. or 69 should not be considered in responding to this item. Also, any payment for a service excluded by the instructions to Item 26.

NOTE: If the answer is "yes," furnish in an exhibit (1) the name and address of the underwriter or dealer, (2) a description of the circumstances surrounding the payments, (3) the amount paid, and (4) the basis on which the amount of the payment was determined and the consideration received for it. If the payments were made pursuant to an arrangement or policy applicable to dealers generally, it will be sufficient to describe such arrangement or policy.

ITEM 69. Ten Dealers Selling Largest Amounts of Registrant's Shares

Set forth the names of the dealers in order of size of sales of registrant's shares and their participation in brokerage commissions on registrant's portfolio transactions. Include as brokerage commissions the amount of compensation

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or dealer among the 10 brokers or dealers listed in Item 33 as having engaged as principals in the largest amount of purchases or sales by the registrant of portfolio securities during the fiscal year.

Under the caption "Name of Affiliated Person" insert the name of the holder of the interest. If the holder is an individual, state last, first and middle names. Use two lines if necessary. If more space is required, use additional sheets with the same column headings and captions. Omit the names of all persons who owned no direct or indirect interest in the specified person.

Under column entitled "Relationship Symbol" insert the following symbols, as pertinent, to indicate all applicable relationships: P-registrant; I-investment adviser; O-principal underwriter; D-director; O-officer; S-security holder (5% or more of the outstanding voting securities); P-partner.

With respect to columns (A) and (B) insert in the applicable column the following symbols to indicate the class of security held: C-common stock; O-option or warrant; P-preferred stock; D-debt security. Add the symbol V or N to indicate whether the security is voting or non-voting. Where the interest owned was that of a sole proprietorship, that fact shall be designated by the symbol "SP."

ITEM 71. Sales of Shares of Registrant pursuant to Periodic Payment Plans of the Installment Type issued by Unit Investment Trusts

ITEM 72. Correspondence Relating to Shareholder Accounts

Correspondence shall include any inquiries from shareholders which may reasonably be deemed to require a reply including, but not limited to, correspondence which may be designated as complaints. This item applies to all correspondence received by registrant's investment adviser, principal underwriter or shareholder servicing agent, which relate to shareholder accounts. A simple inquiry which raises more than one question shall be considered as one item. Items "answered" or "unanswered" shall be determined on the basis of whether substantive replies have been made to the inquiries and not on the basis of replies in the nature of acknowledgments of receipt of such inquiries.

SIGNATURE

The following form of signature shall follow Item 72:

Registrant's report on Form N-12 has been submitted to each member of the board of directors of the registrant (or to each member of the board of directors of the depositor or to each member of the board of directors of the trustee, as the case may be), and, pursuant to the requirements of the Investment Company Act of 1940 (and the Securities Exchange Act of 1934, if applicable), the undersigned registrant (or depositor or trustee) has caused this report to be signed on its behalf in the City of _____ day of _____ 19____.

(Name of registrant, depositor, or trustee)

Witness (Name and Title) By (Name and title of chief executive officer of registrant, depositor, or trustee)

REPORT OF INDEPENDENT PUBLIC ACCOUNTANT

The registrant shall include in Form N-12 a report of its independent public accountant which: (1) shall be addressed to the shareholders and board of directors of the registrant; (2) shall be dated; (3) shall be signed manually; and (4) shall indicate the city and state where issued.

The audit shall be made in accordance with generally accepted auditing standards and shall include a review of the accounting system, the internal accounting control and procedures for safeguarding securities. The audit shall include all procedures necessary under the circumstances to enable the independent public accountant to express an opinion on financial condition, results of operations, changes in net assets per share and the answers to certain specifically enumerated items in Form N-12. The scope of the audit and review of the accounting system, internal accounting control and procedures for safeguarding securities shall be sufficient to provide reasonable assurance that any material inadequacies existing at the date of the examination would be disclosed.

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which this report is required to be filed by the registrant, and a balance sheet as of the end of the most recent of such fiscal years. These statements shall be prepared in reasonable detail.

For each investment adviser and each principal underwriter of the registrant, as the case may be, furnish the financial statements specified above only if (a) during the most recent fiscal year to be reported the gross income received by any such person in any capacity from the registrant and subsidiaries, and from other registered investment companies and subsidiaries, exceeded 25 percent of the gross income of any such person from all sources, and (b) the combined total net assets (determined before deduction of any outstanding senior securities) of the registrant and such other registered investment companies at any time during the most recent fiscal year to be reported exceeded \$100,000,000. Include as gross income from all sources any monies other than profit or losses from transactions in securities and commodities for the firm's investment account. Net underwriting discounts and commissions retained by the investment adviser in the capacity of a principal underwriter or retained by the principal underwriter, from the sale of shares of a registered investment company shall be deemed to be received from such registered company.

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Based upon the audit and review, the accountant's report shall cover the following matters related to material inadequacies and the items in the report on Form N-18 enumerated below:

(a) Comments on any material inadequacies found to exist or found to have existed since the date of the previous audit with an indication of any corrective action taken or proposed. If the audit did not disclose any material inadequacies, the report shall so state.

(b) The fairness of the presentation of the answers to the following enumerated items —

Items 1; 3; 7; 12; 13; 18; 19; 20; 21(a) through (f); 24; 27; 28; 29; 30; 31; 32(a) and (b); 33; 34; 38; 39; 40; 42; 43; 49; 50(a)(1); 52; 53; 54; 55; 56; 57; 59; 61(a); 63; 65(a) and (c) through (i); 68; 69(b) and (c); and 70.

(c) Assurance that the answers to the following enumerated items were in compliance with the minutes —

Items 4; 5; 6; 22; and 57.

(d) Assurance that during the course of the audit nothing came to his attention to cause him to question the fairness of the presentation of the answers to the following enumerated items —

Items 44; 45; 60; 61(b) and (c); and 62

The accountant's report shall contain a consent to its use in connection with the filing of Form N-18 with the Securities and Exchange Commission.

INSTRUCTIONS AS TO FINANCIAL STATEMENTS

Subject to the General Instructions and the rules regarding incorporation by reference applicable to this report, the following financial statements for (1) each investment adviser of registrant and (2) each principal underwriter for registrant, shall be filed as part of this report:

Statements of profit and loss and surplus for each of not less than the immediately preceding three fiscal years ending at least 60 days prior to the last date on

PROPOSED RULES

RECONCILIATION AND TIE-IN REFERENCE SHEET
PROPOSED FORM N-1 AND FORM N-2

PROPOSED FILING REQUIREMENT	ORIGIN OF THE ITEM*	REVISIONS AND DELETIONS	COMMENTS
<u>FORM N-1 and Form N-2</u>			
A. Facing Sheet	Current Requirement of Form S-5	The Facing Sheet will identify the statute under which the filing is being made.	The Facing Sheet will continue to be a filing requirement identifying the Registrant, its address and telephone number and the statute under which the filing is being made. If filed pursuant to the Securities Act of 1933, the Registrant will also identify the proposed offering price and the registration fee.
<u>FORM N-1 and Form N-2</u> <u>General Instructions</u>			
No filing requirement.	See Forms S-4/S-5 Guidelines (33-5259); the Commission's Statement of Policy Relating to Investment Company Sales Literature; and Release 33-5359 - "Use of Sales Literature in Investment Company Prospectuses."	Substantial additions have been made to clarify the uses of the Form and to assist in the preparation thereof.	Attention is directed to General Instruction C.4 of both proposed Forms - "Instructions for Charts, Graphs, Tables and Sales Literature" which sets forth the conditions under which sales literature may be used in the prospectus.

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PROPOSED FILING REQUIREMENT	ORIGIN OF THE ITEM	REVISIONS AND DELETIONS	COMMENTS
<u>Form N-1: Part I</u>	Rules 423 and 425 under The Securities Act of 1933. In addition the following references were used:	The sales load and redemption charges required by Items 1(c)(1) and (2) of Current Form S-5 have been moved to Item 2 of the proposed Form N-1.	The proposed Forms will modify existing practices required by the Rules as to the information set forth on the outside front cover page.
Item 1. Cover Page (Prospectus only)	1) Securities Act of 1933 Release No. 5259; Guidelines for the Preparation of Forms S-4 & S-5 (June 1, 1972).	The cover page comments expressed in the Forms S-4/S-5 Guidelines have been omitted.	In addition, the requirements are flexible in order to permit more interesting cover pages while prohibiting most investment information. Such information is reserved initially for the "Synopsis." (Item 2 of the Proposed Forms.)
<u>Form N-2: Part I</u>	2) Investment Company Act of 1940 Release No. 7221; Guidelines for the preparation of Form N-88-1 (June 1, 1972).		
Item 1. Cover Page (Prospectus only)	For Proposed Form N-2, also refer to Item 1 ("Distributions Spread") of Current Form S-4.		
NOTE: Unless otherwise stated herein, the term "Guidelines" means both of the above Releases.			

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PROPOSED FILING REQUIREMENT	ORIGIN OF THE ITEM	REVISIONS AND DELETIONS	COMMENTS
Form N-1: Part I	The basis for this item may be found in the General Guides for Registration Statements set forth in Securities Act of 1933, Release No. 4936 (December 9, 1968), and the Guidelines mentioned on page 2 hereof.	No previous Form requirement.	The prospectus summary or "Synopsis" is a new disclosure technique applied to investment companies as required by the proposed Forms. It is designed to bring forward material investment elements relevant to the issuer and its securities.
Item 2. Synopsis (Prospectus only)			
Form N-2: Part I			Form S-5, Items 1(c)(1) and (2), requires the sales load and redemption charge on the outside front cover page. Proposed Form N-1 would move this information into the Synopsis.
Item 2. Synopsis (Prospectus only)			
			The Form S-5 Guidelines suggest that many of the proposed disclosures appear on the outside front (Cont'd on page 4.)

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PROPOSED FILING REQUIREMENT	ORIGIN OF THE ITEM	REVISIONS AND DELETIONS	COMMENTS
			cover page. The Proposed Forms would move these disclosures into the Synopsis and expand certain of the disclosure requirements. Thus, the most important features of the Registrant and its security offering are highlighted in one place in the prospectus.

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PROPOSED FILING REQUIREMENT	ORIGIN OF THE ITEM	REVISIONS AND DELETIONS	COMMENTS
Form N-1: Part I Item 3. Condensed Financial Information.	Currently Item 12 of Form N-88-1 (Registration Statement under the Investment Company Act of 1940); and, required in the prospectus by Items 1(a) and (c) of Form S-5 and Instruction 2 to Item 5 of Form S-4 (Registration Statements under the Securities Act of 1933). Also refer to the Audit Guide for Regulated Investment Companies published by the American Institute of Independent Certified Public Accountants.	Minor revisions have been made in the tabular presentation of condensed financial information, including adding a column for portfolio turnover. The definition of portfolio turnover has been included as Instruction 12. The definition is identical to that contained in Item 1.25 of present Form N-1R. (1940 Act Annual Report Form for Management Investment Companies)	The staff is currently considering a separate requirement for the presentation of condensed financial information by money-market funds. Minor revisions have been made in the table required by Item 12(b) of current Form N-88-1 and designated in the proposed Form as Item 3(b).

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PROPOSED FILING REQUIREMENT	ORIGIN OF THE ITEM	REVISIONS AND DELETIONS	COMMENTS
Form N-1: Part I Item 4. General Information and History	Items 1, 2 and 3 of Current Form N-88-1.	Only minor language revisions have been made.	The purpose of the new item is to consolidate in one item the information currently required by three separate items. (Also see Item 7 below of Form N-2: Part I.)
Form N-2: Part I Item 5. Plan of Distribution	Items 1, 2 and 4 of Current Form S-4.	Minor changes except the table specified in Item 1 of Current Form S-4 has been moved to Item 1 of the proposed Form N-2.	
Item 6. Use of Proceeds to Registrant	Item 3 of Current Form S-4.	Minor changes.	
Form N-2: Part I Item 7. General Information and History	Items 1, 2 and 3 of Current Form N-88-1.	Minor changes.	Refer to above Item 5 of Form N-1: Part I.

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PROPOSED FILING REQUIREMENT	ORIGIN OF THE ITEM	REVISIONS AND DELETIONS	COMMENTS
Form N-1: Part I	Current requirement of Items 4 and 5 of Form N-8B-1 and Item 1(a) of Form S-5 or Item 5 of Form S-4.	Major revisions have been made. Except for a recital of policy with respect to portfolio turnover, Current Item 5 policies of Form N-8B-1 have been deleted.	The revised Form would require a recital of policy in connection with those matters enumerated in Section 8 of the 1940 Act. In addition, any investment policy adopted by a Registrant to support its other policies, activities or techniques must be disclosed.
Item 5. Investment Objective and Policies			
Form N-2: Part I	Both Form Guidelines set forth interpretive positions on fundamental policies and investment policies.	A definition of the term "fundamental policy" has been added.	Important positions recited in the Form N-8B-1 Guidelines (40-7221) have been incorporated into the fundamental policy items.
Item 8. Investment Objectives and Policies		Note that paragraph G.1.d of the General Instructions requires that the complete statement of policies be presented immediately following the information required by Item 3.	Commentators may wish to consider carefully the form, content, and presentation requirements of this item.

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PROPOSED FILING REQUIREMENT	ORIGIN OF THE ITEM	REVISIONS AND DELETIONS	COMMENTS
Form N-1: Part I	Item 8 of Current Form N-8B-1 and the Guidelines.	An instruction to subparagraph (a) has been added. In addition subparagraphs (b) and (c) have been added.	The new requirements codify existing industry practice in describing the important elements of taxation related to ownership of investment company shares.
Item 6. Tax Status			
Form N-2: Part I			
Item 9. Tax Status			
Form N-1: Part I	The Guidelines for Forms S-4 and S-5 (33-5259); Securities Act of 1933 Release No. 5250 (Applicability of the Commissions Policy Statement on the Future Structure of the Securities Markets to the Selection of Brokers and Payment of Commissions by Institutional Managers). Also refer to Release No. 33-5772 dated November 30, 1976 "Disclosure of Brokerage Placement Practices by Investment Managers."	This is a new Form requirement.	The proposed Form adopts existing disclosure standards from the guidelines for Forms S-4 and S-5 and from Item 1.3. of current Form N-1R.
Item 7. Brokerage Allocation			
Form N-2: Part III			
Item 10. Brokerage Allocation			

PROPOSED RULES

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PROPOSED FILING REQUIREMENT	ORIGIN OF THE ITEM	REVISIONS AND DELETIONS	COMMENTS
<u>Form N-1: Part I</u>	Item 9 of Current Form N-8B-1.	This item has been substantially revised.	Based in part upon the recommendation of the Advisory Committee on Investment Companies and Investment Advisers (Report dated December 29, 1972), the disclosure required by this item has been limited to certain material events.
Item 8. Pending Legal Proceedings		An instruction has been added to set forth the standards for materiality.	
<u>Form N-2: Part I</u>			
Item 11. Pending Legal Proceedings			
<u>Form N-1: Part I</u>			
Item 9. Control Persons and Principal Holders of Securities	Items 13 and 14 of Current Form N-8B-1.	Information with respect to persons controlled by or under common control with the Registrant has been retained in Part II of the proposed Forms.	The Part I/Part II concept preserves the current informational requirements.
<u>Form N-2: Part I</u>			
Item 12. Control Persons and Principal Holders of Securities.		The standard for reporting principal holders of securities has been modified and certain instructions have been added.	The revised standards should facilitate determination of the required information.

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PROPOSED FILING REQUIREMENT	ORIGIN OF THE ITEM	REVISIONS AND DELETIONS	COMMENTS
<u>Form N-1: Part I</u>	Items 16 and 17 of Form N-8B-1.	A fourth column has been added to the table. The term "family relationship" has been defined (from that contained in Current Form N-1R) and such relationship between persons listed in the table must be described.	Information with respect to the nature of family relationships has been deleted from the Proposed Form N-1R.
Item 10. Directors, Executive Officers and Advisory Board Members			
<u>Form N-2: Part I</u>			
Item 13. Directors, Executive Officers and Advisory Board Members		Instruction 2 has been added to clarify information required by column 3 of the table.	

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PROPOSED FILING REQUIREMENT	ORIGIN OF THE ITEM	REVISIONS AND DELETIONS	COMMENTS
<u>Form N-1: Part I</u>	Item 18 of Current Form N-8B-1.	A table for remuneration in excess of \$40,000 is required.	The current requirement to report remuneration in excess of \$30,000 has been revised to make the Form consistent with other reporting requirements.
Item 11. Remunera- tion of Directors and Others	Item 25 of Current Form N-8B-1.	Remuneration paid to affiliated persons and principal underwriters has been added.	
<u>Form N-2: Part I</u>			With the exception of the investment adviser, this item contemplates reporting all remuneration in excess of \$40,000 paid to affili- ated persons or principal underwriters in one re- sponse by consolidating Item 25 of the Current Form N-8B-1 into this item.
Item 14. Remunera- tion of Directors and Others		The information with respect to retirement programs for officers and directors has been consolidated in the remuneration table.	

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PROPOSED FILING REQUIREMENT	ORIGIN OF THE ITEM	REVISIONS AND DELETIONS	COMMENTS
<u>Form N-1: Part I</u>	Item 21 of Current Form N-8B-1.	If applicable, the use of a central depository would be required to be reported.	The item has been revised to take into account a management company which elects to deposit all or any part of portfolio securities in accordance with Commission rules, if adopted, in a system for the central handling of securities established by a national securities exchange or national securities association.
Item 12. Custodian of Portfolio Securities		Instructions have been added to assist Regis- trants in determining the type of informa- tion requested.	
<u>Form N-2: Part I</u>			
Item 15. Custodian of Portfolio Securities			

PROPOSED RULES

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PROPOSED FILING REQUIREMENT	ORIGIN OF THE ITEM	REVISIONS AND DELETIONS	COMMENTS
Form N-1: Part I	Items 22, 23 and 24 of Current Form N-8B-1 and the Guidelines.	The requirements have been substantially revised.	This item represents a major overhaul of the Form requirements to get more meaningful information to the prospective investor. Thus, the Item is composed of information derived from the Items of Form N-8B-1 and the Registration State- ment Guidelines; and subse- quent disclosure policies of the staff. Note that the Proposed Forms do not require a description of the contractual terms mandated by Sections 15(a) and (c) of the Investment Company Act of 1940. Thus, no disclosure is required with respect to continuation, duration, termination or assignment of the Investment Advisory Contract.
Item 13. Invest- ment Advisers			
Form N-2: Part I			
Item 16. Invest- ment Advisers			

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PROPOSED FILING REQUIREMENT	ORIGIN OF THE ITEM	REVISIONS AND DELETIONS	COMMENTS
Form N-1: Part I	Items 26 and 28 of Current Form N-8B-1 and Item 1 of Current Form S-5.	Item 15 omits informa- tion with respect to arrearages which is the requirement con- tained in subparagraph 26(c) of Current Form N-8B-1.	Item 27 of the Current Form N-8B-1 - "Long Term Debt" - has been omitted from the proposed Form N-1 require- ments but retained for pur- poses of proposed Form N-2. The requirement applies to closed-end companies only.
Item 14. Capital Stock and Other Securities		Instruction 1 requests information with respect to cumulative voting rights.	

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PROPOSED FILING REQUIREMENT	ORIGIN OF THE ITEM	REVISIONS AND DELETIONS	COMMENTS
<u>Form N-2: Part I</u>			
Item 17. Defaults and Arrears on Senior Securities	Item 11 of Current Form N-8B-1 and Item 5 of Current Form S-4.	Subparagraph (a)(3) combines current requirements of subparagraphs (a)(3) and (a)(4).	
Item 18. Capital Stock	Items 10 and 26 of Current Form N-8B-1 and Item 5 of Current Form S-4.	Subparagraph (d) specifies a current date for reporting this information.	
Item 19. Long-Term Debt	Item 27 on Current Form N-8B-1 and Item 5 of Current Form S-4.	Minor changes.	
Item 20. Other Securities	Item 28 of Current Form N-8B-1 and Item 5 of Current Form S-4.	Minor changes.	

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PROPOSED FILING REQUIREMENT	ORIGIN OF THE ITEM	REVISIONS AND DELETIONS	COMMENTS
<u>Form N-1: Part I</u>			
Item 15. Pricing of Registrant's Securities	Item 30 of the Current Form N-8B-1.	Significant changes include information with respect to (1) redemptions pursuant to Rule 18f-1; (2) purchases pursuant to Rule 22d-2; (3) repurchase privileges; (4) automatic redemption procedures; and (6) secondary market activity, if any.	The new proposed Form requirement codifies industry disclosure practices and rule changes since the Form N-8B-1 was last published.
<u>Form N-1: Part I</u>			
Item 16. General Information as to Plan of Distribution	Item 30(b) and Items 31, 32 and 33 of Current Form N-8B-1. Also the Guidelines for the preparation of Forms N-8B-1, S-4 and S-5 (Releases 40-7221 and 33-5259). Current Form N-1R.	New form requirements for investment plans and withdrawal plans. Item 17(d) is derived from Form N-1R.	This item codifies industry disclosure practices.

PROPOSED RULES

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PROPOSED FILING REQUIREMENT	ORIGIN OF THE ITEM	REVISIONS AND DELETIONS	COMMENTS
<u>Form N-1: Part I</u> Item 18. Financial Statements	Item 34 of Current Form N-8B-1; Item 2 of Cur- rent Form S-5; and Item 6 of Current Form S-4.	None	The staff is currently reviewing the financial statement requirements for investment companies. Commentators may wish to make specific recommenda- tions on this item.
<u>Form N-2: Part I</u> Item 21. Financial Statements		None	
<u>Form N-1: Part II</u> Item 1. Financial Statements and Exhibits	Item 34 of Current Form N-8B-1 and Item 4 (Part II) of Cur- rent Form S-5.	Exhibit 10 has been modified to require a consent of counsel. Exhibits 11 through 14 are new Form requirements.	The requirements of Exhibits 10 through 12 of the current Form N-8B-1 have been deleted from the pro- posed Form N-1 but retained in proposed Form N-2.
<u>Form N-2: Part II</u> Item 4. Financial Statements and Exhibits	In addition to the above, Item 10 (Part II) of Current Form S-4.		

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PROPOSED FILING REQUIREMENT	ORIGIN OF THE ITEM	REVISIONS AND DELETIONS	COMMENTS
<u>Form N-2: Part II</u> Item 1. Marketing Arrangements	Item 7 (Part II) of Current Form S-4.	Minor revisions.	The requirements of this item have traditionally applied to closed-end companies and no signi- ficant change is con- templated.
Item 2. Other Expenses of Issuance and Distributions	Item 8 (Part II) of Current Form S-4.	Minor revisions.	
<u>Form N-1: Part II</u> Item 2. Persons Controlled by or Under Common Control with Registrant	Item 13 of Current Form N-8B-1.	Instruction 3 of the current item has been deleted.	See Item 10 of Part I of the proposed Form N-1 and Item 12 of Part I of the Proposed Form N-2.
<u>Form N-2: Part II</u> Item 5. Persons Controlled by or Under Common Control with Registrant			

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PROPOSED FILING REQUIREMENT	ORIGIN OF THE ITEM	REVISIONS AND DELETIONS	COMMENTS
<u>Form N-1: Part II</u>	Item 15 of Current Form N-88-1.	In addition to record holders the Form requirement would report beneficial holders.	
Item 3. Number of Holders of Securities			
<u>Form N-2: Part II</u>			
Item 6. Number of Holders of Securities			

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PROPOSED FILING REQUIREMENT	ORIGIN OF THE ITEM	REVISIONS AND DELETIONS	COMMENTS
<u>Form N-1: Part II</u>			
Item 4. Indemnification	Item 19 of Current Form N-88-1. Guidelines for Form N-88-1 (Release 40-7221).	An exception for reporting purposes is any indemnification insurance paid for by an affiliate. Also an instruction reflecting the provisions of Section 17 of the 1940 Act has been added.	
<u>Form N-2: Part II</u>			
Item 3. Indemnification	In addition to the above, Item 9 (Part II) of Current Form S-4.		

PROPOSED RULES

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PROPOSED FILING REQUIREMENT	ORIGIN OF THE ITEM	REVISIONS AND DELETIONS	COMMENTS
<u>Form N-1: Part II</u>			
Item 5. Business and Other Connections of Investment Advisers.	Item 23 of Current Form N-8B-1.	Minor revisions.	
<u>Form N-2: Part II</u>			
Item 8. Business and Other Connections of Investment Advisers			
Item 6. Principal Underwriters	Item 31(b) of Current Form N-8B-1.	A table has been added in order to reflect persons who are affiliated with both the investment company and the principal underwriter.	

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PROPOSED FILING REQUIREMENT	ORIGIN OF THE ITEM	REVISIONS AND DELETIONS	COMMENTS
<u>Form N-1: Part II</u>			
Item 7. Location of Accounts and Records	New		This item requires the Registrant to report the whereabouts of the company records, i.e., with the Adviser, Custodian or Transfer Agent.
<u>Form N-2: Part II</u>			
Item 7. Location of Accounts and Records			
<u>Form N-1: Part II</u>			
Item 8. Undertakings	Guidelines for Forms S-4 and S-5 (Release 33-5259).		Most undertakings suggested in the Guidelines have been deleted. Specifically the undertakings to submit the advisory contract, the auditors and the board of directors to a shareholder vote at the first annual or special meeting are matters covered by the 1940 Act.
<u>Form N-2: Part II</u>			
Item 9. Undertakings			

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PROPOSED FILING REQUIREMENT	ORIGIN OF THE ITEM	REVISIONS AND DELETIONS	COMMENTS
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Summary Prospectus

Form N-1: Part II Current Form S-5
Form N-2: Part II

In light of the changes in the objectives and policies section in the proposed Form N-1 and N-2 the Summary Prospectus has been revised. Proposed Form N-2 will allow the use of a Summary Prospectus.

PROPOSED RULES

Revised Form N-1R

Item of Revised Form	Origin of Item	Additions and Deletions	Comments
Facing Page	Facing page of current EDP Attachment	<u>Additions:</u> Name of independent public accountant signing the opinion. <u>Deletions:</u> Name of person signing the annual report. Classification Boxes	In response to a comment from the Office of the Chief Accountant the name of the accountant signing the opinion attached to the report was added. Item 1.39(e) of the EDP attachment requires this information at the present time.
1. Classification	Item 1.00 of EDP Attachment	<u>Additions:</u> Questions asking whether the registrant is closed-end, non-diversified, a limited partnership, a money market fund, or an issuer of variable life insurance contracts.	The additions were made to achieve a greater classification specificity.
2. Diversification of Assets			
Subsection a.	Item 1.02(a) of EDP Attachment	None	
Subsection b.	Item 1.02(b) of Form N-1R	<u>Additions:</u> Column for date(s) value exceeded 5%. Instruction for diversified only. <u>Deletions:</u> Addresses and nature of principal business of portfolio companies. Fiscal quarter information.	Addresses are not easily computerized. The requirement for the date when value exceeded 5% requires more information than the fiscal quarter requirement.
Subsection c.	Item 1.02(c) of Form N-1R	Same as above except this item applies to all companies, not just diversified companies.	Same as for b. above.
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Item of Revised Form	Origin of Item	Additions and Deletions	Comments
3. Condensed Financial Information	Item 1.05 of both Form N-1R and the EDP Attachment	<u>Deletion:</u> Number of shares outstanding at end of fiscal year.	The information requested is not per share information.
4. Board of Directors Meetings	Item 2.01(a) of Form N-1R	<u>Deletions:</u> Dates of meetings; information on meetings of executive committees and advisory boards. <u>Addition:</u> Phrase regardless of attendance added to a.	Information on meetings of executive committees and advisory boards is of little regulatory value.
5. Directors, Officers, and Members of Advisory Boards	Item 1.11 of EDP Attachment.	<u>Addition:</u> Subsection f. added	Subsection f. picks up the requirement of Section 10(g) as applied to Section 10(a) of the Act.
6. Vacancies on Board of Directors	Item 2.06 of EDP Attachment	None	
7. Indemnification of Directors or Officers	Expansion of Item 1.14 of Form N-1R	<u>Addition:</u> Requirement that indemnity amounts be stated	Dollar amounts will indicate the extent of a problem.
8. Indebtedness of Officers and Certain Non-Interested Directors to Certain Other Persons.	Item 2.21(b) of Form N-1R	None	
9. Business or Professional Relationships of Non-Interested Directors with Registrant or with Certain Other Persons	Item 2.22 of Form N-1R	None	

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Item of Revised Form	Origin of Item	Additions and Deletions	Comments
10. Transactions between Officers or Certain Non-Interested Directors of Registrant and Certain Other Persons	Item 2.21(a) of Form N-1R	None	
11. Remuneration of Registrant's Directors, Officers, and Advisory Board Members	Item 1.12 of Form N-1R and EDP Attachment	<u>Addition:</u> In subsection a. the limitation was raised from \$30,000 to \$40,000. <u>Deletion:</u> In subsection d. the estimated annual benefits to individuals upon retirement has been eliminated.	\$40,000 is consistent with the proxy rules. Forms N-1 and N-2 pick up the estimated amounts.
12. Remuneration of Certain Affiliated Persons Acting as Agent in Property Transactions or as Brokers in Securities Transactions	Item 2.09 of Form N-1R	<u>Deletions:</u> Subsections (b) and (d) of Item 2.09 have been combined into one subsection. Definition of "control" removed.	"Control" is defined in the general instructions.
13. Transactions between Registrant or Controlled Company and Affiliated or Certain Other Persons	Item 2.07 of Form N-1R	<u>Changes:</u> Subsection (a) made into an exhibit requirement. Subsections (b) and (c) combined into a. Subsections (d) and (e) are b. and c. Definition of "control" removed.	References to specific sections of the Act were also removed and were replaced by the language of the sections.
14. Joint Enterprises Involving Registrant or a Controlled Company and an Affiliated Person	New		New item designed to get reports on transactions consummated pursuant to Rule 17d-1(d)(5) as per the suggestion of the Commission when the Rule was adopted.

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Item of Revised Form	Origin of Item	Additions and Deletions	Comments
15. Transactions Between Registrant and Certain Affiliated Persons of Directors or Officers of Registrant's Investment Adviser or Principal Underwriter	Item 2.08 of Form N-1R and EDP Attachment.	<u>Deletions:</u> Definition of "control"	See 12. above.
16. Director or Indirect Ownership Interest which Certain Affiliated Persons of the Registrant had during the Fiscal Year in Registrant's Investment Adviser, Principal Underwriter, or Certain Brokers or Dealers	Item 1.32(a) & (b) of EDP Attachment	None	Item 1.32(a) & (b) have been broken up into 3 separate items for ease of comprehension. The companion items to 16 are 25 and 71.
17. Family Relationships of Certain Affiliated Persons of Registrant	Item 2.20 of Form N-1R	None	
18. Fidelity Bonds	Item 1.17 of Form N-1R for subsection a. and Item 2.11 of the EDP Attachment for subsection b.	<u>Additions:</u> The instructions require a registrant which is named on a joint insured bond to list the other insureds and specify their gross assets as of a recent date. <u>Deletions:</u> In b. the recitation of Rule 17g-1 made in Form N-1R has been eliminated in favor of the EDP approach of asking whether registrant complied with the rule.	New instructions will enable the staff to determine if bond coverage is adequate for registrant's on joint bonds. Instead of asking 6 yes or no questions running down the rule provisions, one question is asked which accomplishes the same purpose.

PROPOSED RULES

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Item of Revised Form	Origin of Item	Additions and Deletions	Comments
19. Custody of Securities and Similar Investments	Item 1.16 of Form N-1R and EDP Attachment	<u>Additions:</u> Column for central depository added. <u>Deletion:</u> Subsection (d) of Item 1.16 has been eliminated which asks for basis of remuneration for custodial services.	Use of depositories is permitted by Section 17(f). A copy of custodial agreement stating basis of remuneration is filed with the registration statement.
20. Deposit of Funds in Banks Other than Custodian Banks	Item 2.10 of Form N-1R and EDP Attachment	<u>Additions:</u> Subsection c. expanded to clarify. <u>Deletion:</u> The number of answer blanks in subsection a. has been reduced.	Subsection c. expanded in response to a comment. The item is designed to get at the practice of circumventing the custodian agreement by having the bank deposit its own funds in another bank for use by the registrant.
21. Investment Advisory Contract and Fees	Item 1.18 of Form N-1R and EDP Attachment	<u>Deletions:</u> Names and addresses of investment advisers and affiliated persons of adviser who are also affiliated with the registrant. Spaces for breakpoints of fee reduced. <u>Additions:</u> Subsection b. and f. added to pick up information of expense limitation experience.	The registration statements pick up this information. The additions improve the quality of the information received on expense limitations.

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Item of Revised Form	Origin of Item	Additions and Deletions	Comments
22. Entry into or Renewal of Investment Advisory Contract	Item 1.19 of Form N-1R	<u>Additions:</u> Subsection f. asking whether the evaluation required by Section 15(c) was made. <u>Deletion:</u> The date on which action was taken to renew or approve a contract.	Adding this question makes item a complete reflection of Section 15. This information is in the proxy material.
23. Personnel of Each Investment Adviser of Registrant	Item 1.21 of Form N-1R	<u>Additions:</u> Information added on number of directors, officers, or partners. <u>Deletions:</u> Requirement that number of employees working for another investment adviser be stated along with the name of the adviser if affiliated with the registrant.	This information was previously excluded for no good reason. Information of no use to the staff.
24. Services Supplied by Investment Adviser	Item 1.22 of Form N-1R	<u>Additions:</u> Question on prospectus preparation and printing added.	Since some advisers supply such a service it was necessary that it be added.
25. Direct or Indirect Ownership Interest Which Certain Affiliated Persons of the Registrant's Investment Adviser had during the fiscal year in Registrant's Investment Adviser, Principal Underwriter or Certain Brokers or Dealers.	Item 1.32 (a) & (b) of EDP Attachment	None	See item 16.

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Item of Revised Form	Origin of Item	Additions and Deletions	Comments
26. Other Persons Furnishing Investment Advice	Item 1.24 of Form N-1R	<u>Additions:</u> A subsection permitting a cross reference to the registration statement added.	The information which would normally be filed as an exhibit is furnished annually in the registration statement.
27. Administrative and Other Services	Item 1.23 of Form N-1R and EDP Attachment	<u>Deletions:</u> Spaces for breakpoints of continuing fee reduced	Never used.
28. Portfolio Turnover Rates	Item 1.25 of Form N-1R	<u>Deletions:</u> Information on turnover rates for 2 fiscal years preceding the year of the report.	For comparison purposes only, registration statements can be used; for computer purposes its unnecessary.
29. Purchase and Sale Transactions Within Six-Month Period	Item 2.02 of Form N-1R	None	
30. Portfolio Trading Practices.	Item 1.26 of EDP Attachment	<u>Additions:</u> Question on whether the registrant loans portfolio securities, purchases commodity futures, invests in repurchase agreements, or engages in currency exchange transactions. <u>Deletions:</u> Requirement to identify specific policy.	Other speculative trading practices added. Registration statement contains this information.
31. Portfolio Transactions Not Settled by Specified Settlement Dates.	Item 2.30 of Form N-1R and EDP Attachment	None	

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Item of Revised Form	Origin of Item	Additions and Deletions	Comments
32. "Restricted Securities"	Item 1.27 of Form N-1R and EDP Attachment	<u>Deletions:</u> exclusion for straight debt securities.	If a company holds a significant amount of restricted debt securities, it is relevant.
33. Portfolio Transactions by Registrant with Brokers or Dealers Acting as Principal	Item 2.18 of Form N-1R and EDP Attachment	<u>Deletions:</u> Instructional reference to fixed commission rates.	Fixed commission rates have been repealed.
34. Brokerage Commissions Paid on Portfolio Transactions of Registrant	Item 2.17 of Form N-1R and EDP Attachment	<u>Deletions:</u> Caption entitled "Give-Ups" removed.	Give-Ups are illegal.
35. Considerations which Affected the Participations of Brokers or Dealers in Commissions or Other Compensation Paid on Portfolio Transactions of Registrant	Item 1.31 of EDP Attachment	<u>Deletions:</u> The Form N-1R item has been totally eliminated from the revised form.	The item (1.31) is being added to both the registration statement forms (Item 7 of Form N-1 and Item 10 of Form N-2)
36. Participations of Certain Affiliated Brokers or Dealers in Brokerage Commissions on Registrant's Portfolio Transactions and on Portfolio Transactions of any Associated Registered Investment Company	Item 1.32(c) & (d) of Form N-1R and EDP Attachment	<u>Deletions:</u> "Give-Up" caption.	See Item 34 above.

PROPOSED RULES

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Item of Revised Form	Origin of Item	Additions and Deletions	Comments
37. Selection of Brokers or Dealers in Return for Benefits or Other Consideration Provided to Other Persons	Item 2.19 of Form N-1R	<u>Additions:</u> Words "any benefit or other consideration" substituted for the words "advice, information, or other services." Exclusion for investment companies in the same complex added.	Changes were made in light of Section 23(e) under the '34 Act, as amended.
38. Tax Status	Item 1.04 of Form N-1R	<u>Deletion:</u> whether registrant intends to meet the requirements of subchapter M in the upcoming fiscal year.	Information of no regulatory value.
39. Underwriting Commitments	Item 1.03 of Form N-1R and EDP Attachment	<u>Deletions:</u> Figures required by N-1R eliminated	The bottom line figure is the only concern and that is all that is asked for.
40. Monthly Sales of Registrant's Shares; Dividends, Capital Gains and Other Distributions	Item 1.29 of Form N-1R	<u>Additions:</u> Instruction added to take care of money market funds distributing capital gains monthly. <u>Deletions:</u> Subsections (b) and (c) incorporated into the chart	Money market funds given a pass on the capital gains section unless there is more than one long term gain distribution.
41. Solicitation of Proxies	Item 1.30 of Form N-1R and EDP Attachment	<u>Deletions:</u> Date of shareholders meeting and date definitive proxy material was filed with the Commission	This information is available in other Commission filings.
42. Confirmations, Share Balance Statements, and Other Communications	Item 2.32 of Form N-1R	<u>Addition:</u> Instruction stating that a no-load fund acting as its own distributor must send confirmations to avoid being treated as an underwriter	Instruction codifies the current staff position.

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Item of Revised Form	Origin of Item	Additions and Deletions	Comments
43. Dividends or Distributions Requiring a Written Statement to Shareholders of Registrant	Item 2.13 of Form N-1R	<u>Addition:</u> Instruction added asking that a "no" answer be explained.	A "no" answer indicates a violation of Section 19(a) and Rule 19a-1.
44. Purchase of Securities of or Other Interest in an Investment Company, Investment Adviser, Broker, Dealer, Underwriter, or Insurance Company	Item 2.05(a) of Form N-1R	None	
45. Procedures with Respect to Stated Policies	Item 2.03 of Form N-1R	<u>Additions:</u> Subsection b. permits a cross reference to a prior annual report in lieu of stating policies. Instruction defining the term "policies".	Instruction added in response to comment which thought policies should be defined.
46. Purchase of Securities during Underwriting by Affiliated Principal Underwriter	Item 2.04 of Form N-1R	None	
47. Selection and Ratification of Accountants and Auditors; Preparation of Financial Statements Filed with the Commission	Item 2.16 of Form N-1R	None	
48. Cross-Ownership and Circular Ownership	Item 2.14 of Form N-1R	<u>Additions:</u> Instruction defining cross and circular ownership.	Comment made to define the terms. Definition taken from the Act.

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Item of Revised Form	Origin of Item	Additions and Deletions	Comments
49. Periodic Calculation of Current Net Asset Value Per Share of Registrant's Outstanding Capital Stock	Item 2.15 of Form N-1R	<u>Deletion:</u> Subsection (b) made into an instruction. <u>Addition:</u> Item made applicable to closed-end companies by the addition of an instruction.	Rule 2a-4 is applicable to open-end companies only but the procedure specified is also appropriate for closed-end companies.
50. Employees of Registrant	Item 1.15 of Form N-1R	<u>Addition:</u> Definition of person furnishing advisory services at cost. <u>Deletion:</u> Subsection (b) of item requiring listing of other registered investment companies using the services of a person listed under b.	Information required by Subsection (b) is of little value to staff and is very difficult to put on computer.
51. Policy with Respect to Trading in Securities by Certain Affiliated Persons of Registrant or of its Investment Adviser	Item 1.33 of Form N-1R	<u>Deletion:</u> Instruction citing to Guide to Business Standards of ICI. <u>Addition:</u> Subsections (a) and (b) broken up into two subsections.	This publication is no longer available.
52. Senior Securities of Registrant and Applicable Asset Coverages	Item 1.06 of Form N-1R and EDP Attachment	None	
53. Issuance of Securities Other Than for Cash or Securities	Item 1.07(c) of Form N-1R	None	
54. Registration of Securities	Item 1.07(b) of Form N-1R and EDP Attachment	None	
55. Sales, Repurchases, and Redemptions of Securities	Item 1.07(e) of Form N-1R and closed-end EDP attachment.	<u>Addition:</u> Instruction defining "redemption" to be redemption at the option of the issuer. <u>Deletion:</u> Fiscal quarter requirement.	Closed-end companies due not stand ready to redeem at option of the shareholder.

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Item of Revised Form	Origin of Item	Additions and Deletions	Comments
56. Distribution and Repurchase of Securities	Item 1.07(c) & (d) of Form N-1R	None	
57. Market Discount or Premium from Net Asset Value	Item 1.39(d) of Closed-end EDP Attachment	None	
58. Securities of Registrant Registered on a National Securities Exchange or Listed on NASDAQ	Item 1.01 of Form N-1R and of Closed-end EDP Attachment	<u>Addition:</u> NASDAQ listing	Addition made in response to comment.
59. Sales, Redemptions, and Repurchase of Securities			
Subsection a.	Item 1.07(b)(2) of EDP Attachment	None	
Subsection b.	Item 1.07(b)(3) of EDP Attachment	None	
Subsection c. & d.	Item 1.07(a) of EDP Attachment and Form N-1R	<u>Additions:</u> Subsection d. 2. Forced redemptions. <u>Deletions:</u> Contractual plan sales, redeposits under contractual plans, withdrawals under contractual plans. Fiscal quarter reporting requirement.	For funds with the ability to force redemption of small accounts. Registrants generally cannot readily get complete information on contractual plan share movements.
60. Sale of Securities to Other Investment Companies	Item 2.05(b) of Form N-1R	None	
61. Time Lapse between Sale of Shares of, and Receipt of Proceeds by, Registrant; Loss on Cancellation of Orders	Item 2.24 of Form N-1R	<u>Deletions:</u> Subsection (a) rewritten but unchanged. Description of internal compliance procedures followed.	Description not necessary.

PROPOSED RULES

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Item of Revised Form	Origin of Item	Additions and Deletions	Comments
62. Suspension of Right of Redemption; Delay in Payment Upon Repurchase	Item 2.25 of Form N-1R	Addition: Phrase "in good order" added to a.	Clarifies when time period begins to run.
63. Pricing of Registrant's Shares for Distribution, Redemption and Repurchase	Item 2.23(b) and (c) of Form N-1R	Addition: Text of Rule 22c-1 written into item. Deletion: Timing stamping procedure description.	Value of such information suspect.
64. Exchange Offers Made to Shareholders of Registrant or of Any Other Open-end Company	Item 2.26 of Form N-1R	Addition: Language of item changed to tract language of Sections 11(a) and (c) - appropriate instructions also added	As per comment
65. Variations in Sales Load	Item 2.27 of Form N-1R	None	
66. Sales Load and Distribution Information	Item 1.36 of Form N-1R and EDP Attachment		
Subsection a.		Deletion: Exclusion for advisory fees paid to principal underwriter	By removal of the exclusion the total compensation of the principal underwriter is provided.
Subsection b.		Addition: "Net Amount placed in b. 1."	Change made to exclude under b. 2. & 3.
Subsection c.		Addition: provision for a fixed fee.	Picks up fixed fees on redemption.
Subsection f.		Addition: Provisions for sales through voluntary accumulation plans and other sources added.	Complete information on sources of sales.
67. Entry into or Renewal of Principal Underwriting Contract	Item 1.38 of Form N-1R and EDP Attachment	Deletion: Date of meeting approving the contract	Unnecessary, this information is available elsewhere.

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Item of Revised Form	Origin of Item	Additions and Deletions	Comments
68. Other Payments by Registrant to Underwriters or Dealers	Item 1.37 of Form N-1R	None	
69. Ten Dealers Selling Largest Amounts of Registrant's Shares	Item 2.28 of Form N-1R	None	
70. Sales of Shares of Registrant pursuant to Periodic Payment Plans of the Installment Type by Unit Investment Trusts	Item 2.29 of Form N-1R	None	
71. Direct or indirect Ownership Interest Which Certain Affiliated Persons of Registrant's Principal Underwriter had during the Fiscal Year in Registrant's Investment Adviser, Principal Underwriter, or Certain Brokers or Dealers	Item 1.32(a) & (b) of Form N-1R and EDP Attachment	None	See Item 16.
72. Correspondence Relating to Shareholder Accounts	Item 2.31	Deletion: Description of policy or procedure on correspondence response	Information of no value.
Opinion of Independent Public Accountant	Suggested version of AICPA	Opinion revised in many minor respects	Conforms the requirement to the current auditing practice.

In addition to various deletions indicated in the foregoing table, the following N-1R Items have been totally eliminated for the revision form:

<u>Item</u>	<u>Reason</u>
1.02(a) - Diversification of Assets - chart breaking down assets	This information can be gleaned from the financial statements albeit not on a quarterly basis.
1.08 - Persons in Control Relationships with Registrant	Form N-1 and N-2 contain this information
1.09 - Persons Owning Equity Securities of Registrant	Form N-1 and N-2 contain this information
1.10 - Number of Holders of Equity Securities	Form N-1 and N-2 contain this information
1.11 - Directors, Officers, Members of Advisory Board, and Certain Employees and Legal Counsel	Most of this information is in Form N-1 and N-2 although not in one item
1.13 - Remuneration of Certain Other Affiliated Persons	Form N-1 and N-2 contain this information
1.20 - Business and Other Connections of Management and of Investment Advisers	Form N-1 and N-2 contain this information
1.28 - Purchase of Portfolio Securities Shortly Prior to Ex-Dividend Dates	The Committee found this information to be of no regulatory value.
1.34 - Business of Principal Underwriters	Form N-1 contains this information.
1.35 - Management of Principal Underwriter	Form N-1 contains this information.
2.01(b)(c) - Attendance of Directors at Executive Board Meetings and Advisory Board Meetings	This information is of dubious regulatory value since advisory boards are rare.

[FR Doc. 77-15958 Filed 6-8-77; 8:45 am]

[17 CFR Part 270]

[Release No. 10-9783, File No. 87-698]

INVESTMENT COMPANY ANNUAL REPORTS

Revision of Regulations

AGENCY: Securities and Exchange Commission.

ACTION: Proposed rule.

SUMMARY: The Securities and Exchange Commission proposes to revise its regulations on the filing of investment company annual reports to require that such reports be filed within 90 days (rather than the current 120 days) after the end of the fiscal year. This will make available to the staff of the Commission information relating to a company's most recent fiscal year at the time that it reviews a posteffective amendment to that company's registration statement under the Securities Act of 1933. It will also bring the required filing date for such annual reports into line with the required filing date for annual reports filed by industrial companies.

DATE: Comments must be received on or before August 15, 1977.

ADDRESS: Send comments in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D.C. 20549.

FOR FURTHER INFORMATION CONTACT:

Glen Payne, Special Counsel, Division of Investment Management, Securities and Exchange Commission, Washington, D.C. 20549, 202-755-0230.

SUPPLEMENTARY INFORMATION: The Securities and Exchange Commission today published for public comment a proposed amendment of Rule 30a-1 (a) (17 CFR 270.30a-1(a)) under the Investment Company Act of 1940 ("Act") (15 U.S.C. 80a-et seq.) which would reduce by 30 days the filing deadline for the annual report required by Section 30(a) of the Act (15 U.S.C. 80a-29(a)). Rule 30a-1(a) under the Act presently requires the annual report to be filed not more than 120 days after the close of each fiscal year ending on or after the date upon which a registered investment

company files its registration statement pursuant to Section 8(b) (15 U.S.C. 80a-8(b)). The proposed amendment would reduce the filing deadline from 120 days to 90 days after the close of the fiscal year.

BACKGROUND AND PURPOSE

Release No. 33-5829 of this date discusses in detail the background and purpose of proposed new Investment Company Registration Statement Forms N-1 and N-2 for management investment companies and of the revised Annual Report on Form N-1R (17 CFR 274.101). ("Forms"). The proposed new integrated filing system of which the Forms are a part contemplates that the N-1R filing time be reduced from 120 days to 90 days as set forth in the proposed amendment to Rule 30a-1(a).

Under Rule 30a-1(a), investment company annual reports are required to be filed 120 days after the close of the company's fiscal year. It is proposed to reduce the date for filing the Form N-1R from 120 days to 90 days after the close of the company's fiscal year in order to permit the staff to make more effective use of that document. The filing of the report within 90 days of the close of the company's fiscal year will make available to the staff information relating to the company's most recent fiscal year at the time it reviews the post-effective amendment to the company's registration statement. In most cases, under present procedures, when the staff reviews an investment company's post-effective amendment, the investment company's Form N-1R on file with the Commission contains information that is more than a year old.

This proposal to reduce the N-1R filing time was first made December 16, 1970 (Investment Company Act Release No. 6294) (35 FR 19525) in conjunction with other amendments to the Form N-1R. Although the amendments to the form itself were approved, the rule proposal was not acted on because of adverse industry comments. The Commission now believes that experience with the 90 day filing requirement for industrial companies filing annual reports has shown that it is not overly burdensome. In addition, the time reduction should be feasible at this time, parti-

cularly in light of the fact that if the proposed integrated filing system is adopted, the narrative portion of the N-1R would no longer be required.

The Commission hereby proposes to amend Rule 30a-1(a) pursuant to the authority granted in Section 38(a) of the Act (15 U.S.C. 80a-37(a)).

Section 270.30a-1(a) is amended to read as follows.

§ 270.30a-1 Annual reports.

(a) Every registered investment company shall file an annual report, on the appropriate form prescribed therefor, not more than 90 days after the close of each fiscal year ending on or after the date upon which such company files its registration statement pursuant to Section 8(b): In case the registrant finds it impracticable to file the report within such 90 days, it may file with the Commission an application for an extension of time to a specified date within 6 months after the close of the fiscal year. Such application shall state the grounds of impracticability and shall contain an agreement to file the report on or before such specified date. The application shall be deemed granted unless the Commission within 10 days after receipt thereof shall enter an order denying the application as being unreasonable and unnecessary under the circumstances. At the time of filing such annual report, the registered investment company shall pay to the Commission a fee of \$250, no part of which shall be refunded.

All interested persons are invited to submit their views and comments on the foregoing proposal in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D.C. 20549, on or before August 15, 1977. All such communications should refer to File No. 87-698 and will be available for public inspection at the Commission's Public Reference Room, Room 6101, 1100 L Street, N.W. Washington, D.C.

By the Commission.

GEORGE A. FITZSIMMONS,
Secretary.

MAY 31, 1977.

[FR Doc. 77-15959 Filed 6-8-77; 8:45 am]

THURSDAY, JUNE 9, 1977

PART VII



**DEPARTMENT
OF STATE**



**FISHERY CONSERVATION
AND MANAGEMENT
ACT OF 1976**

**Applications for Permits To Fish Off
the Coasts of the United States**

DEPARTMENT OF STATE

[Public Notice 548]

FISHERY CONSERVATION AND MANAGEMENT ACT OF 1976

Applications for Permits To Fish Off Coasts of United States

The Fishery Conservation and Management Act of 1976 (Pub. L. 94-265) (the "Act") provides that no fishing shall be conducted by foreign fishing vessels in the Fishery Conservation Zone of the United States after February 28, 1977, except in accordance with a valid and applicable permit issued pursuant to Section 204 of the Act.

The Act also requires that all applications for such permits be published in the FEDERAL REGISTER. Applications for fishing during 1977 have been received from the Union of Soviet Socialist Republics and are published herewith.

Dated: June 1, 1977.

ALBERT L. ZUCCA,
Director, Office of Fisheries Affairs.

ADDITIONAL for squid
FISHING VESSEL IDENTIFICATION FORM (FOREIGN)

Permit Period: June-Dec. 77 Application No. UR-77-0374
Applied For: June-Dec. 77 For Use of Issuing Office

State: USSR

1. Name of Vessel: ENTURM

2. Vessel No./Hull No. KU-8010 Registration No. B-3067

3. Name and Address of Owner: None and Address of Charterer
Name: Upravleniye RYBNOY PROMYSLA
Address: Dmitry Donukoy, 54
Kaliningrad, USSR

Cable Address: _____

4. Homeport and State of Registry: Kaliningrad, USSR

5. Type of Vessel: Side Trawler

6. Tonnage (Gross): 607 (Net): 599

7. Length 50.4m M. S. Breadth 9.3m M. D. Draft 3.6m M.

8. Horsepower: 800 shp. 11. Maximum Speed: 11.5 kt.

11. Propulsion: Diesel (X), Steam (), Diesel/Electric (),
Other: Diesel-generator-2x300 kw, 1x64 kw

13. Date Built: 1963

14. Number and Nationality of Personnel: 20, USSR
Officers: 14 Crew: 12 Other (Specify): 2 scientists

15. Communications: VHF-FM (), AM/VHF, Voice (), Telegraphy (),
Other: _____
International Radio Call Sign: USRL
Radio Frequencies Monitored: 500, 2182, 2 300
Other Working Frequencies: 2375 kHz
Schedule: H-0

UR-77-0374

16. Navigation Equipment: Loran C (), Loran A (), Omega (),
Decca (), Navstar (), Radar (), Fathometer (),
Other: Loran KM-4, Direction Finder, Gyrocompass

17. Cargo Capacity (MT) 18. Cargo Space
Number Tonnage

Salted Fish _____ Freezer _____ Refrigerated-2

Fresh Fish _____ Dry Cold _____

Frozen Fish 140 Tons _____

Fish Meal _____ Other _____

Other: _____

19. Processing Equipment (Indicate daily capacity, MT)
Freezer Cabinets, VM-3, -2 pcs, total capacity-5 tons/24h

20. Fisheries for which Permit is Requested:

Species	Period (From-To)	Estimated Catch (MT)	State to be Used
Squid	May-July	None	Dr
Squid	May-July	None	Dr
Squid	June-Dec.	None	Dr, MWT

add → 5+6 June-Dec. Squid 87, MWT

21. Name and Address of Agent appointed to receive any legal process issued in the United States:

ADDITIONAL for squid
FISHING VESSEL IDENTIFICATION FORM (FOREIGN)

Permit Period: June-Dec. 77 Application No. UR-77-0405
Applied For: June-Dec. 77 For Use of Issuing Office

State: USSR

1. Name of Vessel: VENTRAL

2. Vessel No./Hull No. LI-8167 Registration No. 777

3. Name and Address of Owner: None and Address of Charterer
Name: Klaipeda Kaya Dava Chovani-
chovani-chovochno-chovochno Flot
Address: Hamana, 32 LA
Klaipeda, USSR

Cable Address: _____

4. Homeport and State of Registry: Klaipeda, USSR

5. Type of Vessel: SEMPER (Middle District Ocean Research Trawler)

6. Tonnage (Gross): 775,19 (Net): 227,30

7. Length 49.34m M. S. Breadth 9.8m M. D. Draft 4.1m M.

8. Horsepower: 1000 shp. 11. Maximum Speed: 11.7 kt.

11. Propulsion: Diesel (X), Steam (), Diesel/Electric (),
Other: _____

13. Date Built: 1972

14. Number and Nationality of Personnel: 20, USSR
Officers: 15 Crew: 14 Other (Specify): _____

15. Communications: VHF-FM (), AM/VHF, Voice (), Telegraphy (),
Other: _____
International Radio Call Sign: M U V P
Radio Frequencies Monitored: 410, 425, 456, 460, 480, 500, 512 kHz
Other Working Frequencies: 2375 kHz
Schedule: H-0

UR-77-0405

16. Navigation Equipment: Loran C (), Loran A (), Omega (),
Decca (), Navstar (), Radar (), Fathometer (),
Other: NPL-4, Auto Pilot, Depth Sounder, Sonar, Direction Finder

17. Cargo Capacity (MT) 18. Cargo Space
Number Tonnage

Salted Fish _____ Freezer 2 Refrigerated-None

Fresh Fish _____ Dry Cold _____

Frozen Fish 207 Tons _____

Fish Meal _____ Other _____

Other: _____

19. Processing Equipment (Indicate daily capacity, MT)
VM-3M, Freezing Cabinets, 4 pcs, total capacity-12 tons

20. Fisheries for which Permit is Requested:

Species	Period (From-To)	Estimated Catch (MT)	State to be Used
Squid	1.03-30.04	None	Dr, MWT
Squid	1.05-10.05	None	Dr, MWT
Squid	6.11-31.12	None	Dr, MWT

add → 5+6 June-Dec. 77 Squid 87, MWT

21. Name and Address of Agent appointed to receive any legal process issued in the United States:

ADDITIONAL to permit W UK-77-0379

FISHING VESSEL IDENTIFICATION FORM (FOREIGN)

 Permit Period: June-Dec. 1977 Application No. UK-77-0379
 Applied For: For Use of Issuing Office

State: USSR

1. Name of Vessel: AUGUST ALLE

2. Vessel No.: Hull No. EB-0227 Registration No. M-27367

3. Name and Address of Owner: Estonkoye Ribopromishlenoye
Name Proizvodstvennoye Obyedineniye
"OKASH"
Address: Palyasaars, 28
Tallin, USSR

Cable Address:

4. Homeport and State of Registry: Tallin, USSR

5. Type of Vessel: BHMT (Large Distant Stern Freezer Trawler)

6. Tonnage (Gross): 2706.62 (Net): 996.55

7. Length: 75.0m H. S. Breadth: 14.02m V. Draft: 4.2 m.

10. Horsepower: 2000 shp. 11. Maximum Speed: 12 kt.

11. Propulsion: Diesel (), Steam (), Diesel/Electric (),
Other:

13. Date Built: 1964

14. Number and Nationality of Personnel: 94, USSR
Officers: 24 Crew: 70 Other (Specify):

15. Communications: VHF-FM (), AM/SSB, Voice (), Telegraphy (),
Other:

International Radio Call Sign: W D V K

Radio Frequencies Monitored: 500, 2182 kHz

Other Working Frequencies: 2575 kHz

Schedule: M-16

UR-77-0379

16. Navigation Equipment: Loran C (), Loran A (), Omega (),
Decca (), Navsat (), Radar (), Fathometer (),
Other: Autopilot-1, Sonar-1, Direction Finder-2

17. Cargo Capacity (MT)

18. Cargo Space

	Freezer	Hold	Other
Salted Fish	2		
Fresh Fish		3	
Frozen Fish	610	2	
Fish Meal	80		
Other			

19. Processing Equipment (Indicate daily capacity, MT)

Freezers (2)-15 tons/24 h

Fish Meal Plant-20 tons raw fish per 24 h

Fish Oil Melters (2)-400-500 kg/24 h

Autoclave # 600-350 cans

SEMI-AUTOMATIC CAN CLOSERS-10 cans/min.

20. Fisheries for which Permit is Requested:

Species	Contingent	Quota to be Used
See 21.08-30.09 Burbot		OT, HWT
See 01.10-06.11 Hake		
See 23.08-06.11 Herring		
See Other species		

21. SQUADS June 15-1977 of 304125 appointed to receive any legal proceeds (issued in the United States):

FISHING VESSEL IDENTIFICATION FORM (FOREIGN)

 КОПИЯ ПО ПРЕДОСТАВЛЕННЫМ ДОКУМЕНТАМ ИЛИ ПОСРЕДСТВОМ
 ДАННЫХ РАДИОСВЯЗНОГО СРЕДСТВА

 Permit Period Applied For: August - December 1977 Application No. UR-77-0498
 For Use of Issuing Office: For noncommercial purposes, without passport

State: Estonia

1. Name of Vessel: "Anklye"

2. Vessel No.: Hull No. 67 Registration No. D-17231

3. Name and Address of Owner: Name and Address of Charterer:
Name: "Anklye" Address: "Anklye"

Address: "Anklye" Address: "Anklye"

Cable Address: "Anklye" Address: "Anklye"

4. Homeport and State of Registry: "Anklye", USSR

5. Type of Vessel: "Anklye"

6. Tonnage (Gross): "Anklye" (Net): "Anklye"

7. Length: "Anklye" 8. Breadth: "Anklye" 9. Draft: "Anklye"

10. Horsepower: "Anklye" shp. 11. Maximum Speed: "Anklye" kt.

11. Propulsion: Diesel (), Steam (), Diesel/Electric (),
Other: "Anklye"

13. Date Built: 1960

14. Number and Nationality of Personnel: 37, USSR
Officers: "Anklye" Crew: "Anklye" Other (Specify): "Anklye"

15. Communications: VHF-FM (), AM/SSB, Voice (),
Telegraphy (), Other: "Anklye"

International Radio Call Sign: "Anklye"

Radio Frequencies Monitored: "Anklye"

Other Working Frequencies: "Anklye"

Schedule: "Anklye"

UR-77-0498 2.

16. Navigation Equipment: Loran C (), Loran A (),
Decca (), Navsat (), Radar (), Fathometer (),
Omega (), Decca (), Navsat (), Radar (),
Fathometer (), Other: "Anklye"

17. Cargo Capacity (MT)

18. Cargo Space

	Freezer	Hold	Other
Salted Fish	2		
Fresh Fish		3	
Frozen Fish	610	2	
Fish Meal	80		
Other			

19. Processing Equipment (Indicate daily capacity, MT)

Freezers (2)-15 tons/24 h

Fish Meal Plant-20 tons raw fish per 24 h

Fish Oil Melters (2)-400-500 kg/24 h

Autoclave # 600-350 cans

SEMI-AUTOMATIC CAN CLOSERS-10 cans/min.

20. Fisheries for which Permit is Requested:

Species	Contingent	Quota to be Used
See 21.08-30.09 Burbot		OT, HWT
See 01.10-06.11 Hake		
See 23.08-06.11 Herring		
See Other species		

21. SQUADS June 15-1977 of 304125 appointed to receive any legal proceeds (issued in the United States):

LIR-77-0498

17. Cargo Capacity (LT)

Грузоёмкость (ЛТ)

3000 mt.

Salted Fish
Соленая рыбаFresh Fish
Свежая рыбаFrozen Fish
Замороженная рыбаFish Meal
Рыбий кормOther
Прочее

18. Cargo Space

Грузовое пространство

Number

количество

Place

места

Freezer

морозильная камера

Dry Hold

сухой трюм

Tanks

танки

Other

прочее

19. Processing Equipment (Indicate daily capacity, LT)

Технологическое оборудование (указать суточную производственную способность в метрических тоннах)

20. Fisheries for which Permit is Requested

Рыболовство для которого запрашивается разрешение

Ocean Area Полоса океана	Period (beginning) срок	Species рыба	Contaminated Contaminated загрязнённая	Port of Origin Порт происхождения	Port of Destination Порт назначения
5,6	78-12-77				SUPPLY

21. Name and Address of Agent appointed to receive any legal process issued in the United States

Имя и адрес агента, назначенного для получения и подачи уведомлений о процессе, подаваемого в соответствии с законодательством США

FISHING VESSEL IDENTIFICATION FORM (CONTINUED)

КОПИЯ НА ИДЕНТИФИКАЦИОННО-ПОИСКОВОЙ
КАРТЕ РАБОЧЕГО СУДА

Permit Period Applied For:
На срок, на который
запрашивается разрешение:
August - December 1977

Application No. LIR-77-0499
Справка №
For Use of Issuing Office
для использования в выдающем
офисе разрешения

State of
Оркан

1. Name of Vessel
Название судна

2. Vessel No.: Hull No.
№ судна

3. Name and Address of Owner
Имя и адрес владельца

4. Homeport and State of Registry
Порт и страна регистрации

5. Type of Vessel
Тип судна

6. Tonnage (Gross)
Тоннаж (брутто)

7. Length
Длина

8. Breadth
Ширина

9. Draft
Осадка

10. Horsepower
Лошадиная сила

11. Maximum Speed
Максимальная скорость

12. Propulsion: Diesel (), Steam (), Diesel/Electric (),
Двигатель: дизельный, паровой, дизель-электрический

13. Date Built
Дата постройки

14. Number and Nationality of Personnel
Число и национальность экипажа

15. Communications: VHF (), MF (), HF (),
Связь: ВЧ (), СЧ (), ВЧ (),
Telex (),
Телеграф (),
International Radio Call Sign
Международный радиозвон

Radio Frequencies Monitored
Радиочастоты, на которых ведется наблюдение

Other Working Frequencies
Другие рабочие частоты

Schedule
План работы

16. Navigation Equipment: Loran C (), Loran A (),
Навигационное оборудование: Лоран С (), Лоран А (),
Omega (), Decca (), Eureka (), Radar (),
Омега (), Дека (), Еврека (), Радар (),
Pathfinder (), Other
Патфайндер (), Другое

UR-77-0477 3.

КОПИЯ НА ПРЕДЛОЖЕНИЕ ЗА РЕГИСТРАЦИЯ НА СУДИЩОТО
ЗАРЕЗ НА СУДИЩОТО СУДИЩО17. Cargo Capacity (LT)
Грузоподъемность (ЛТ)

5000 m.t.

18. Cargo Space
Грузовое пространство

Number

количество

Name

название

Salted Fish
Соленая рыба

Freezer

морозильник

Fresh Fish
Свежая рыба

Dry Hold

сухой трюм

Frozen Fish
Замороженная рыба

Tanks

танки

Fish Meal
Рыбий корм

Other

другое

Other

Специальные

Approved

ЛПД 1.

19. Processing Equipment (Indicate daily capacity, LT)
Техническое оборудование (указать суточную производственную мощность в метрических тоннах)Permit Period Applied For:
Получено, на основании
согласования разрешения:

August-December 1977

Application No. UR-77-0500

For Use of Issuing Office
для использования в выдающем
офисе разрешенияS t a t e :
Страна

USSR

1. Name of Vessel
Название судна

"Abshatke"

2. Vessel No.: Hull No.
В судна В корпуса

85

Registration No.
Регистрационный №3. Name and Address of Owner
Имя и адрес владельца

Name Georgian Shipping

Name

Address 60, Baghshvili

Address Street, Batumi, USSR

Name and Address of Charterer
Имя и адрес чартерера

Name "Dzhirgaleff"

Name

Address 5, Bishkov, Street, Novosibirsk, USSR

Cable Address Batumi, Georgia

Telegraphical address

Dzhirgaleff, Novosibirsk

4. Homeport and State of Registry:
Домашний порт и страна регистрации

Batumi, USSR

5. Type of Vessel

Fishing

6. Tonnage (Gross)

3466.38

(Net)

1606.58

Tonnage (Gross)

(Net)

(Net)

7. Length

106.14

Breadth

14.4

8. Draft

4.4

9. Draft

4.4

UR-77-0477 4.

20. Fisheries for which Permit is Requested:
Рыболовство для которого запрашивается разрешение:

Species/Group	Period	Amount	Contaminated	Remarks
Salmon (Atlantic)	August-October	1000	No	For export to USSR
Trout	August-October	1000	No	For export to USSR
Other	August-October	1000	No	For export to USSR

10. Horsepower
Мощность двигателя в лошадиных силах11. Maximum Speed
Максимальная скорость12. Propulsion: Diesel (), Steam (), Diesel/Electric (),
Двигатель: Дизельный (), Паровой (), Дизель-электрический (),
Другой ()13. Date Built 1969
Дата постройки14. Number and Nationality of Personnel
Количество и национальность персонала15. Communications: VHF-FM (), AM (), VLF (),
Связь: ВЧ-ФМ (), АМ (), ВЧ (),
Другой ()16. Navigation Equipment: Loran C (), Loran A (),
Навигационное оборудование: Лоран С (), Лоран А (),
Другой ()17. Other Navigation Equipment: Omega (), Decca (), Navstat (), Radar (),
Другое навигационное оборудование: Омега (), Деcca (), Навсат (), Радар (),
Другой ()18. Fathometer (), Other
Эхолот (), Другой ()19. Schedule
План работы20. Radio Frequencies Monitored
Мониторимые радиочастоты21. Other Working Frequencies
Другие рабочие частоты22. Schedule
План работы23. Schedule
План работы24. Schedule
План работы25. Schedule
План работы26. Schedule
План работы27. Schedule
План работы28. Schedule
План работы29. Schedule
План работы30. Schedule
План работы

17. Cargo Capacity (LT)
Грузоёмкость (лс)

5000

Salted Fish
Соленая рыбаFresh Fish
Свежая рыбаFrozen Fish
Замороженная рыбаFish Meal
Рыбий кормOther
Иное18. Cargo Space
Грузовое помещениеNumber
КоличествоName
Название

Freezer

Dry Hold
Сухой трюм

Tanks

Other

19. Processing Equipment (Indicate daily capacity, LT)
Технологическое оборудование (укажите суточную пропускную способность в лс)20. Fisheries for which Permit is Requested
Рыболовство для которого запрашивается разрешение:

Species / Вид	Period / Период	Season / Сезон	Contingent / Квота	Remarks / Замечания
Salmon / Лосось	June - July / Июнь - Июль	Summer / Летний	1000 tons / 1000 тонн	For export / Для экспорта

21. Name and Address of Agent appointed to receive any legal process issued in the United States:
Имя и адрес агента, назначенного для получения в США: законных действий, возбужденных в соответствии с законодательствомFISHING VESSEL IDENTIFICATION FORM (FORM 10)
ФОРМА ДЛЯ ИДЕНТИФИКАЦИИ РЫБОЛОВНОГО СУДА

Permit Period Applied For:
Срок действия разрешения:
August - December 1977

Application No. UR-77-0501
Заявка №
For Use of Issuing Office
для использования в выдающем
офисе разрешения

State:
Страна:

USSR

1. Name of Vessel
Название судна2. Vessel No.: Hull No. 47
И номер 47Registration No. 10-1000
Регистрационный №3. Name and Address of Owner
Имя и адрес владельца

Name: [blank] Address: [blank]

Address: [blank] Street, [blank], [blank]

Cable Address: [blank] Telegram: [blank]

4. Homeport and State of Registry:
Место и страна регистрации5. Type of Vessel
Тип судна6. Tonnage (Gross) 1544.15
Тоннаж (брутто)7. Length 108.0
Длина8. Breadth 14.0
Ширина9. Draft 3.0
Осадка10. Horsepower 2000 shp.
Мощность двигателя11. Propulsion: Diesel (1), Steam (-), Diesel/Electric (-)
Двигатель: Дизельный, Паровой, Дизель-электрический12. Date Built 1962
Дата постройки13. Number and Nationality of Personnel
Количество и национальность персоналаOfficers 11 Crew 24 Other (Specify)
Офицеры Команда Другое (укажите)14. Communications: VHF-FM (+), AM/FM, Voice (+),
Связь: ВЧ-ФМ, АМ/ФМ, Голос15. Telegraphy (+), Other
Телеграф: ДругоеInternational Radio Call Sign
Международный радиозвонRadio Frequencies Monitored
Радиочастоты, на которых ведется наблюдениеOther Working Frequencies
Другие рабочие частотыSchedule as per Regulations
Порядок в соответствии с правилами16. Navigation Equipment: Loran C (+), Loran A (-),
Навигационное оборудование: Лоран С, Лоран АOmega (+), Decca (-), Towed (-), Radar (+),
Омега, Деcca, Тowed, РадарFathometer (+), Other
Фатометр: Другое

UR-77-0500

4.

UR-77-0501

17. Cargo Capacity (LT)
Тоннаж грузоподъемности (мт)

3384 м.т.

Salted Fish
Соленая рыба

Fresh Fish
Свежая рыба

Frozen Fish
Замороженная рыба

Fish Meal
Рыбная мука

Other
Прочее

18. Cargo Space
Тоннаж艙ов

Refrigerator
Холодильник

Freezer
Морозильник

Dry Hold
Сухой трюм

Tanks
Танки

Other
Прочее

19. Processing Equipment (Indicate daily capacity, LT)
Технологическое оборудование (укажите суточную производительность в тоннах)

20. Fisheries for which Permit is Requested:

Рыболовство для которого запрашивается разрешение:

Species / Вид	Period / Период	Amount / Кол-во	Contract / Договор	Port of Call / Порт захода
Yellow croaker / Желтый окунь	1970-71	1000	Contract / Договор	Port of Call / Порт захода

21. Name and Address of Agent appointed to receive any legal process issued in the United States:
Имя и адрес агента, назначенного для получения в Соединенных Штатах любых судебных постановлений:

FISHING VESSEL IDENTIFICATION FORM (FORGERS)
ФОРМА ИДЕНТИФИКАЦИИ ОХОТНИЧЬЕГО СУДНА

Permit Period Applied For:
На какой период испрашивается разрешение:
12 months / 12 месяцев

Application No. UR-77-0502
For Use of Issuing Office
Для использования в выдающем учреждении

State:
Округ

1. Name of Vessel
Название судна

2. Vessel No.: Hull No.
Номер судна: Номер корпуса

3. Name and Address of Owner
Имя и адрес владельца

4. Name and Address of Charterer
Имя и адрес чартера

5. Address
Адрес

6. Cable Address
Адрес по кабелю

7. Homeport and State of Registry
Порт и округ регистрации

8. Type of Vessel
Тип судна

9. Tonnage (Gross)
Тоннаж (брутто)

10. Length
Длина

11. Breadth
Ширина

12. Draft
Осадка

13. Horsepower
Мощность

14. Maximum Speed
Максимальная скорость

15. Propulsion: Diesel (), Steam (), Diesel/Electric (),
Двигатель: Дизель (), Паровой (), Дизель/Электрический ()

16. Date Built
Дата постройки

17. Number and Nationality of Personnel
Число и национальность экипажа

18. Communications: VHF-FM (), AM (), Voice (),
Связь: ВЧ-ФМ (), АМ (), Голос (),

19. Radiotelegraph (),
Радиотелеграф ()

20. International Radio Call Sign
Международный радиозвон

21. Radio Frequencies Monitored
Радиочастоты, на которых ведется наблюдение

22. Other Working Frequencies
Другие рабочие частоты

23. Schedule
Расписание

24. Navigation Equipment: Loran C (), Loran A (),
Навигационное оборудование: Лоран С (), Лоран А (),

25. Omega (), Decca (), Navstar (), Radar (),
Омега (), Деcca (), Навстар (), Радар (),

26. Pathometer (), Other
Патометр (), Другое

UR-77-0504

17. Cargo Capacity (LT)
Грузоподъемность (ЛТ)

334 mt.

Salted Fish
Соленая рыбаFresh Fish
Свежая рыбаFrozen Fish
Замороженная рыбаFish Meal
Рыбий фаршOther
Прочее18. Cargo Space
Грузовое пространствоNumber
КоличествоName
НазваниеFreezer
ОхладительDry Hold
Сухой трюмTanks
ТанкиOther
Прочее19. Freezing Equipment (Indicate daily capacity, LT)
Техническое оборудование (укажите суточную пропускную способность в метрических тоннах)20. Fisheries for which Permit is Requested:
Рыболовство для которого запрашивается разрешение:

Species (fish)	Period (from-to)	Quantity (tons)	Contaminated (yes-no)	Seal (yes-no)
Yellow croaker (желтый окунь)	6-10	100	no	no
5,6	78-11-77			

21. Name and Address of Agent appointed to receive any legal process issued in the United States:
Имя и адрес агента, назначенного для получения в суд: (укажите название, наименование и юридический адрес)FISHING VESSEL IDENTIFICATION FORM (FORWARD)
ФОРМА ИДЕНТИФИКАЦИИ РЫБОЛОВНОГО СУДА

Permit Period Applied For:
Срок действия разрешения:
August - December 1977

Application No. UR-77-0504
Судно №
For Use of Issuing Office
для выдающего разрешения,
указанного разрешения

State:
Судно

1. Name of Vessel
Название судна "Alaska"

2. Vessel No.: Hull No. 120 Registration No. 120
2 судна 120 120

3. Name and Address of Owner
Имя и адрес владельца
Name: Gordon Shipyard
Address: 50, Washington Street, Boston, MA 02111

4. Name and Address of Charterer
Имя и адрес чартерера
Name: "Yugoslavian"
Address: 5, Mikhov Street, Belgrade, USSR

5. Type of Vessel
Тип судна Fish

6. Tonnage (Gross) 116.75 (Net) 116.75
Тоннаж (брутто) (нетто)

7. Length 105.4 8. Breadth 11.75 9. Draft 4.11
Длина Ширина Осадка

UR-77-0504 2.

10. Horsepower 1000 chp. Maximum Speed 12.5
Мощность двигателя (л.с.) Максимальная скорость

11. Propulsion: Diesel (1), Steam (-), Diesel/Electric (-),
Двигатель (дизельный, паровой, дизель-электрический)
Other: Hydro

12. Date Built 1969
Дата постройки

13. Number and Nationality of Personnel
Количество и национальность персонала
Officers 13 Crew 24 Other (Specify)
Офицеры Экипаж Прочее (укажите)

14. Communications: VHF-F1 (*), MF/SSB, Voice (*),
Связь
Telegraphy (*), Other: Hydro
Телеграф Прочее

15. International Radio Call Sign
Международный радиозвон
Radio Frequencies Monitored
Мониторимые радиочастоты
Other Working Frequencies
Прочие рабочие частоты

Schedule
План работы

16. Navigation Equipment: Loran C (+), Loran A (-),
Навигационное оборудование
Loran C (+), Loran A (-)
Omega (-), Decca (-), Navstar (+), Radar (+),
Омега (-), Деcca (-), Навстар (+), Радар (+)
Fathometer (-), Other: Hydro
Гидрометр (-), Прочее

UR-77-0504
3.17. Cargo Capacity (LT)
Грузоподъемность (лн)

5384

Salted Fish
Соленая рыбаFresh Fish
Свежая рыбаFrozen Fish
Замороженная рыбаFish Meal
Рыбий кормOther oil products
Прочие нефтепродукты

3000 t.

18. Cargo Space
Грузовое пространство

Number

Type

количество

вид

6

tanks

Freezer

морозильная камера

Dry Hold

сухой трюм

Tanks

Танки

Other

Прочие

19. Processing Equipment (Indicate daily capacity, LT)
Технологическое оборудование (указать суточную производственную способность в метрических тоннах)20. Fisheries for which Permit is Requested
Рыболовство для которого запрашивается разрешение

Species (fish)	Period (year-month)	Quantity (tons)	Container (type)	Remarks (LT)
Salmon	6-10	100	Refrigerated	Supply

5,6 YB-11-77

21. Name and address of Agent appointed to receive any legal process issued in the United States
Имя и адрес агента, назначенного для получения в Соединенных Штатах любых юридических процессов, направляемых к владельцу суднаFISHING VESSEL IDENTIFICATION FORM (FORGION)
КОПИЯ НА ИДЕНТИФИКАЦИОННО-РЕГИСТРАЦИОННУЮ ТАБЛИЧКУ
РЫБОЛОВНОГО СУДАPermit Period Applied For
Период, на который запрашивается разрешение

August 1, September 1977

Application No. UR-77-0505
Судовый №For Use of Fishing Office
Для уведомительного уведомления
рыболовного управленияStatus
Судна

Fishing

1. Name of Vessel
Наименование судна2. Vessel No.: Hull No.
№ судна3. Name and Address of Owner
Имя и адрес собственникаName
ИмяAddress
АдресCable Address
Телеграфный адрес4. Homeport and State of Registry
Порт и страна происхождения5. Type of Vessel
Тип судна6. Tonnage (Gross)
Тоннаж (брутто)7. Length
Длина8. Breadth
Ширина9. Draft
Осадка10. Horsepower
Лошадиная сила11. Propulsion
Двигатель12. Date Built
Дата постройки13. Number and Nationality of Personnel
Количество и национальность экипажа14. Communications
Связь15. International Radio Call Sign
Международный радиозвон16. Radio Frequencies Monitored
Радиочастоты, на которых ведется наблюдениеOther Working Frequencies
Прочие рабочие частотыSchedule
План работы16. Navigation Equipment
Навигационное оборудованиеOther
ПрочиеFathometer
Глубиномер

UR-77-0505 3.

17. Cargo Capacity (LT)
Грузоподъемность (лс)
5000 н.т.18. Cargo Space
Грузовое пространствоNumber
количествоTanks
танкиSalted Fish
Соленая рыба

Freezer

морозильник

Fresh Fish
Свежая рыба

Dry Hold

Сушильница

Frozen Fish
Замороженная рыба

Tanks

Танки

Fish Meal
Рыбий корм

Other

Иное

Other
Иное19. Processing Equipment (Indicate daily capacity, LT)
Технологическое оборудование (укажите суточную производственную и переработочную)20. Fisheries for which Permit is Requested:
Рыболовство для которого запрашивается разрешение:

Species (kind)	Period	Species	Controlled	Stock	Stock
Виды рыб	(сезон)	Виды рыб	(лс)	Виды рыб	(лс)
5,6	1977-1978	5,6	1977-1978	5,6	1977-1978

21. Name and Address of Agent appointed to receive any legal process issued in the United States:
Имя и адрес агента, назначенного для получения в США юридических документов, предъявляемых в соответствии с законодательством:FISHING VESSEL IDENTIFICATION FORM (FORWARD)
КОПИЯ НА ИДЕНТИФИКАЦИОННО-РЕГИСТРАЦИОННУЮ
КАРТУ РЫБОЛОВНОГО СУДАPermit Period Applied For:
Срок, на который
запрашивается разрешение:
April - DecemberApplication No. UR-77-0506
Судовая №
For Use of Issuing Office
для регистрационного управления,
выдающего разрешениеState:
Судовая

1. Name of Vessel
Название судна
2. Vessel No.: Hull No.
№ судна
3. Name and Address of Owner
Имя и адрес владельца
4. Name and Address of Charterer
Имя и адрес чартерера
5. Name and Address of Agent
Имя и адрес агента
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100. Name and Address of Agent
Имя и адрес агента

UR-77-0505

UR-77-0506

10. Horsepower
Мощность двигателя
11. Maximum Speed
Максимальная скорость
12. Propulsion: Diesel (), Steam (), Diesel/Electric (),
Двигатель: дизельный, паровой, дизель-электрический
13. Fuel Oil
Топливо
14. Number and Nationality of Personnel
Количество и национальность экипажа
15. Communications: VHF-F1 (), AM/FM, Voice (),
Связь: VHF-F1 (), AM/FM, голос (), радиосвязь
16. Telegraphy (), Other
Телеграф (), другое
17. International Radio Call Sign
Международный радиозвон
18. Radio Frequencies Monitored
Радиочастоты, контролируемые
19. Other Working Frequencies
Другие рабочие частоты

20. Schedule
Порядок
21. Navigation Equipment: Loran C (), Loran A (),
Навигационное оборудование: Лоран С (), Лоран А (),
22. Omega (), Decca (), Eureka (), Radar (),
Омега (), Деcca (), Еврека (), Радар (),
23. Fathometer (), Other
Измеритель глубины (), другое

UR-77-05043

UR-77-0506

4:

17. Cargo Capacity (LT)
Грузоподъемность (мт)
5002 net.

Salted Fish _____
Соленая рыба _____

Fresh Fish _____
Свежая рыба _____

Frozen Fish _____
Замороженная рыба _____

Fish Meal _____
Рыбий фарш _____

Other _____
Прочее 4400 t.

18. Cargo Space
Грузовое пространство
Number _____
количество _____
Name _____
название _____
tanks _____
танки _____

Freezer _____
Холодильная камера _____

Dry Hold _____
Сухой трюм _____

Tanks _____
Танки _____

Other _____
Прочее _____

19. Processing Equipment (Indicate daily capacity, LT)
Технологическое оборудование (укажите суточную производи-
тельность в метрических тоннах)

20. Fisheries for which Permit is Requested:
Рыболовство для которого испрашивается разрешение:

Species / Вид	Period / Период	Effort / Усилия	Control Method / Способ контроля	Gear to be used / Используемое снаряжение
Рыбная ловля	(1977-78)	1000	1000	Сеть
с - 10	78-79			
5,6	78-79			

21. Name and Address of Agent appointed to receive any local
process issued in the United States:
Имя и адрес агента, назначенного для получения в любой
американской провинции, территории или государстве разрешения

[FR Doc.77-16094 Filed 6-8-77;8:45 am]

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FROM THE FIRST SETTLEMENT
TO THE PRESENT TIME
BY
JOHN H. COLEMAN
OF THE CITY OF BOSTON

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JOHN H. COLEMAN

NEW-YORK:
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